

Legacy Business Registry Staff Report

HEARING DATE JANUARY 22, 2018

SAN FRANCISCO MARKET CORPORATION

Application No.: LBR-2017-18-025
Business Name: San Francisco Market Corporation
Business Address: 2095 Jerrold Ave., #212
District: District 10
Applicant: Michael Janis, General Manager
Nomination Date: November 1, 2017
Nominated By: Supervisor Malia Cohen
Staff Contact: Richard Kurylo
legacybusiness@sfgov.org

BUSINESS DESCRIPTION

San Francisco Market Corporation was established in 1963 to manage and operate the San Francisco Wholesale Produce Market ("Produce Market"). The mission of the organization is to link the produce and food communities of San Francisco and beyond through the successful operation and development of the Produce Market. The Produce Market was built in the early 1960s and opened in 1963 in the Bayview-Hunters Point commercial district as part of a redevelopment effort. The merchants at that time were moved from what is now the area near the Embarcadero Center, where they had been in operation since the 1870s. The City and County of San Francisco assisted with obtaining financing for the project, which was fully repaid from merchant rent. The Produce Market, which held a 50-year ground lease from the City that expired in January 2013, operated from 1963-2013 as a City-controlled entity operated jointly by the City and County of San Francisco Market Corporation and the San Francisco Produce Association, with oversight by the City Controller and the Real Estate Department.

In 2013, when the 50-year ground lease expired, the leadership of the Produce Market, in order to preserve the long-term stability of the businesses, decided to create a new governance structure in the form of a non-profit entity. The City and County of San Francisco Market Corporation became the San Francisco Market Corporation and was able to negotiate a 60-year ground lease and plans for expansion under new legislation. The legislation provided the ground lease, and as a result the Produce Market plans to invest \$100 million in order to continue the economic benefit that it provides to the city of San Francisco.

The Produce Market currently occupies 300,000 square feet of space in 10 buildings, housing over 30 produce wholesalers and distributors, a restaurant and a catering business. The independent merchant businesses, united at one distribution center, provide Bay Area markets and retailers of all kinds with quality fresh produce. The merchants employ 650 full time employees. Over 50 percent of these businesses have operated more than 20 years, one since 1888. The merchants sell and distribute a wide variety of produce to retailers including restaurants, independent grocery stores, hotels and other food businesses. The Produce Market has become integral to San Francisco's culinary fabric by carrying out the behind the- scenes sourcing and distribution of produce, while also partnering in pioneering the City's composting program to bring organic waste back to the region's farms.



CRITERION 1: Has the applicant operated in San Francisco for 30 or more years, with no break in San Francisco operations exceeding two years?

Yes, the applicant has operated in San Francisco for 30 or more years, with no break in San Francisco operations exceeding two years:

2095 Jerrold Ave., #212 from 1963 to Present (54 years).

CRITERION 2: Has the applicant contributed to the neighborhood's history and/or the identity of a particular neighborhood or community?

Yes, the applicant has contributed to the Bayview neighborhood's history and identity.

The Historic Preservation Commission recommended the applicant as qualifying, noting the following ways the applicant contributed to the neighborhood's history and/or the identity of a particular neighborhood or community:

- San Francisco Market Corporation is associated with the culinary traditions of a wholesale food market that distributes produce throughout the region to local markets and restaurants.
- San Francisco Market Corporation has contributed to the identity of the Bayview neighborhood and to San Francisco's culinary heritage by acting as a foundation for the food economy in the city. The corporation governs the Produce Market, which supplies markets, stores, hotels, and restaurants throughout the region, and it provides many local jobs in the community. The business also provides local access to produce to the surrounding residents.
- Different from many small businesses in San Francisco, the San Francisco Market Corporation is largely associated with the development of the produce and food service sectors in San Francisco. The first largescale redevelopment of the SFWPM in 1963 was a significant event for the wholesale produce industry, as it provided a stable space for produce vendors to conduct business, and food service businesses to access product. The additional signing of a 60-year ground lease in 2013 and the formation of the nonprofit entity to protect the Produce Market also served as a landmark event in protecting PDR space in a city with very dire real estate issues.
- Throughout the history of the Produce Market, it has been mentioned in a wide range of publications from local media publications to business trade publications. Some of these publications include:
 - SF Chronicle.
 - The Packer (an industry publication).
 - TechCrunch.
 - Produce Business.
 - Good Food Economy Digest.
 - SF Magazine.
 - SF Gate.
 - SF Business Times.
 - KPIX News.
 - SF Examiner.
 - FreshDigest.



CRITERION 3: Is the applicant committed to maintaining the physical features or traditions that define the business, including craft, culinary, or art forms?

Yes, San Francisco Market Corporation is committed to maintaining the physical features and traditions that define the produce market. The market is located in a large scale PDR (Production Distribution Repair) neighborhood in buildings that are industrial warehouses housing many vendors. The long-term ground lease secured by the corporation provides the opportunity to redevelop the market into an even more cohesive hub for produce vendors, as new buildings will be built to house these vendors. There is also a plan to enclose the market to prevent through traffic and allow a safer, greener atmosphere for the vendors. The corporation has already completed two new modern structures, one of which is Gold LEED Certified at 901 Rankin Street which houses three vendors including Good Eggs and Mollie Stones. The entire area is undergoing a massive redevelopment project in partnership with the Public Utilities Commission in order to further maintain the area as a hub for San Francisco's industrial economic sector, and the San Francisco Wholesale Produce Market is central to this vision.

HISTORIC PRESERVATION COMMISSION RECOMMENDATION

The Historic Preservation Commission recommends that San Francisco Market Corporation qualifies for the Legacy Business Registry under Administrative Code Section 2A.242(b)(2) and recommends safeguarding of the below listed physical features and traditions.

Physical Features or Traditions that Define the Business:

- Large warehouses.
- Large open space (Marshalling Yard).
- Wide variety of vendors.
- Nighttime operation.
- Affordable spaces to incubate new and small vendors.

CORE PHYSICAL FEATURE OR TRADITION THAT DEFINES THE BUSINESS

Following is the core physical feature or tradition that defines the business that would be required for maintenance of the business on the Legacy Business Registry.

- Operation and development of the San Francisco Wholesale Produce Market.

STAFF RECOMMENDATION

Staff recommends that the San Francisco Small Business Commission include San Francisco Market Corporation currently located at 2095 Jerrold Ave., #212 in the Legacy Business Registry as a Legacy Business under Administrative Code Section 2A.242.

Richard Kurylo, Manager
Legacy Business Program



Small Business Commission Draft Resolution

HEARING DATE: JANUARY 22, 2018

SAN FRANCISCO MARKET CORPORATION

LEGACY BUSINESS REGISTRY RESOLUTION NO. _____

| | |
|--------------------------|--|
| <i>Application No.:</i> | LBR-2017-18-025 |
| <i>Business Name:</i> | San Francisco Market Corporation |
| <i>Business Address:</i> | 2095 Jerrold Ave., #212 |
| <i>District:</i> | District 10 |
| <i>Applicant:</i> | Michael Janis, General Manager |
| <i>Nomination Date:</i> | November 1, 2017 |
| <i>Nominated By:</i> | Supervisor Malia Cohen |
| <i>Staff Contact:</i> | Richard Kurylo legacybusiness@sfgov.org |

ADOPTING FINDINGS APPROVING THE LEGACY BUSINESS REGISTRY APPLICATION FOR SAN FRANCISCO MARKET CORPORATION, CURRENTLY LOCATED AT 2095 JERROLD AVENUE, #212.

WHEREAS, in accordance with Administrative Code Section 2A.242, the Office of Small Business maintains a registry of Legacy Businesses in San Francisco (the "Registry") to recognize that longstanding, community-serving businesses can be valuable cultural assets of the City and to be a tool for providing educational and promotional assistance to Legacy Businesses to encourage their continued viability and success; and

WHEREAS, the subject business has operated in San Francisco for 30 or more years, with no break in San Francisco operations exceeding two years; or

WHEREAS, the subject business has operated in San Francisco for more than 20 years but less than 30 years, has had no break in San Francisco operations exceeding two years, has significantly contributed to the history or identity of a particular neighborhood or community and, if not included in the Registry, faces a significant risk of displacement; and

WHEREAS, the subject business has contributed to the neighborhood's history and identity; and

WHEREAS, the subject business is committed to maintaining the physical features and traditions that define the business; and

WHEREAS, at a duly noticed public hearing held on January 22, 2018, the San Francisco Small Business Commission reviewed documents and correspondence, and heard oral testimony on the Legacy Business Registry application; therefore



BE IT RESOLVED that the Small Business Commission hereby includes San Francisco Market Corporation in the Legacy Business Registry as a Legacy Business under Administrative Code Section 2A.242.

BE IT FURTHER RESOLVED that the Small Business Commission recommends safeguarding the below listed physical features and traditions at San Francisco Market Corporation:

Physical Features or Traditions that Define the Business:

- Large warehouses.
- Large open space (Marshalling Yard).
- Wide variety of vendors.
- Nighttime operation.
- Affordable spaces to incubate new and small vendors.

BE IT FURTHER RESOLVED that the Small Business Commission requires maintenance of the below listed core physical feature or tradition to maintain San Francisco Market Corporation on the Legacy Business Registry:

- Operation and development of the San Francisco Wholesale Produce Market.

I hereby certify that the foregoing Resolution was ADOPTED by the Small Business Commission on January 22, 2018.

Regina Dick-Endrizzi
Director

RESOLUTION NO. _____

Ayes –
Nays –
Abstained –
Absent –





SAN FRANCISCO

OFFICE OF SMALL BUSINESS

CITY AND COUNTY OF SAN FRANCISCO
EDWIN M. LEE, MAYOR

OFFICE OF SMALL BUSINESS
REGINA DICK-ENDRIZZI, DIRECTOR

Legacy Business Registry

Application Review Sheet

Application No.: LBR-2017-18-025
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Nomination Date: November 1, 2017
Nominated By: Supervisor Malia Cohen

CRITERION 1: Has the applicant has operated in San Francisco for 30 or more years, with no break in San Francisco operations exceeding two years? X Yes No

2095 Jerrold Ave., #212 from 1963 to Present (54 years).

CRITERION 2: Has the applicant contributed to the neighborhood's history and/or the identity of a particular neighborhood or community? X Yes No

CRITERION 3: Is the applicant committed to maintaining the physical features or traditions that define the business, including craft, culinary, or art forms? X Yes No

NOTES: NA

DELIVERY DATE TO HPC: December 18, 2017

Richard Kurylo
Manager, Legacy Business Program





MALIA COHEN
馬莉亞郭嫻

November 1, 2017

Regina Dick-Endrizzi
Office of Small Business
1 Dr. Carlton B. Goodlett Place, Room 110
San Francisco, CA 94102

Re: Nomination of the Wholesale Produce Market to the Legacy Business Registry

Dear Director Dick-Endrizzi,

I am writing to nominate the Wholesale Produce Market to the Legacy Business Registry.

Wholesale Produce Market has evolved over a 100+ year history, moving to the Bayview District in 1963 as an essential pillar of the Bayview in its redevelopment phase.

The Wholesale Produce Market has also served as an incubator for more than 30 startup food vendors, providing real estate and business acumen for each tenant business. The Market's has been historically essential in connecting out-of-town growers and cultivators to San Francisco's acclaimed farm-to-table restaurant scene. The landmark "Food Recovery" recycling program is an important step in working to minimize waste and create a sustainable food system for the City.

This business plays an essential role in the lasting and critical identity of the City's small business community, the industrial and PDR sectors of District 10, and in the health and well-being of our citizens and our retailers across the city.

Sincerely,

A handwritten signature in blue ink that reads "Malia Cohen".

Malia Cohen
Member, San Francisco Board of Supervisors

Section One:

Business / Applicant Information. Provide the following information:

- The name, mailing address, and other contact information of the business;
- The name of the person who owns the business. For businesses with multiple owners, identify the person(s) with the highest ownership stake in the business;
- The name, title, and contact information of the applicant;
- The business's San Francisco Business Account Number and entity number with the Secretary of State, if applicable.

| | | |
|--|----------------------|------------|
| NAME OF BUSINESS: | | |
| San Francisco Market Corporation | | |
| BUSINESS OWNER(S) (identify the person(s) with the highest ownership stake in the business) | | |
| We are a non-profit. 1963-2013 City of San Francisco Market Corporation 2013-present: San Francisco Market Corporation | | |
| CURRENT BUSINESS ADDRESS: | TELEPHONE: | |
| 2095 Jerrold Ave #212 San Francisco, CA 94124 | (415) 550-4495 | |
| | EMAIL: | |
| | mjanis@sfproduce.org | |
| WEBSITE: | FACEBOOK PAGE: | YELP PAGE: |
| www.sfproduce.org | N/A | N/A |

| | |
|----------------------|--|
| APPLICANT'S NAME | |
| Michael Janis | <input checked="" type="checkbox"/> Same as Business |
| APPLICANT'S TITLE | |
| General Manager | |
| APPLICANT'S ADDRESS: | TELEPHONE: |
| Same as above | (415) 550-4495 |
| | EMAIL: |
| | mjanis@sfproduce.com |

| | |
|--|---|
| SAN FRANCISCO BUSINESS ACCOUNT NUMBER: | SECRETARY OF STATE ENTITY NUMBER (if applicable): |
| 0475482 | C3447699 |

| | |
|---------------------------------------|---------------------|
| OFFICIAL USE: Completed by OSIS Staff | |
| NAME OF NOMINATOR: | DATE OF NOMINATION: |
| | |

Section Two:

Business Location(s).

List the business address of the original San Francisco location, the start date of business, and the dates of operation at the original location. Check the box indicating whether the original location of the business in San Francisco is the founding location of the business. If the business moved from its original location and has had additional addresses in San Francisco, identify all other addresses and the dates of operation at each address. For businesses with more than one location, list the additional locations in section three of the narrative.

| | | |
|---|------------------------------------|------------------------|
| ORIGINAL SAN FRANCISCO ADDRESS: | ZIP CODE: | START DATE OF BUSINESS |
| 2095 Jerrrold Ave #212 | 94124 | 1/31/1963 |
| IS THIS LOCATION THE FOUNDING LOCATION OF THE BUSINESS? | DATES OF OPERATION AT THIS LOCATON | |
| <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes | 1/31/63 - present | |

| | | |
|----------------------------------|-----------|--------------------|
| OTHER ADDRESSES (if applicable): | ZIP CODE: | DATES OF OPERATION |
| | | Start: |
| | | End: |

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| OTHER ADDRESSES (if applicable): | ZIP CODE: | DATES OF OPERATION |
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| OTHER ADDRESSES (if applicable): | ZIP CODE: | DATES OF OPERATION |
| | | Start: |
| | | End: |

Section Three:

Disclosure Statement.

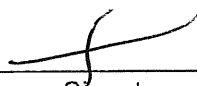
San Francisco Taxes, Business Registration, Licenses, Labor Laws and Public Information Release.

This section is verification that all San Francisco taxes, business registration, and licenses are current and complete, and there are no current violations of San Francisco labor laws. This information will be verified and a business deemed not current in with all San Francisco taxes, business registration, and licenses, or has current violations of San Francisco labor laws, will not be eligible to apply for the Business Assistance Grant.

In addition, we are required to inform you that all information provided in the application will become subject to disclosure under the California Public Records Act.

Please read the following statements and check each to indicate that you agree with the statement. Then sign below in the space provided.

- ☒ I am authorized to submit this application on behalf of the business.
- ☒ I attest that the business is current on all of its San Francisco tax obligations.
- ☒ I attest that the business's business registration and any applicable regulatory license(s) are current.
- ☒ I attest that the Office of Labor Standards and Enforcement (OLSE) has not determined that the business is currently in violation of any of the City's labor laws, and that the business does not owe any outstanding penalties or payments ordered by the OLSE.
- ☒ I understand that documents submitted with this application may be made available to the public for inspection and copying pursuant to the California Public Records Act and San Francisco Sunshine Ordinance.
- ☒ I hereby acknowledge and authorize that all photographs and images submitted as part of the application may be used by the City without compensation.
- ☒ I understand that the Small Business Commission may revoke the placement of the business on the Registry if it finds that the business no longer qualifies, and that placement on the Registry does not entitle the business to a grant of City funds.

Michael J. Jan 9-12-17 

Name (Print): Date: Signature:

San Francisco Market Corporation

Section 4: Written Historical Narrative

CRITERION 1

a. Provide a short history of the business from the date the business opened in San Francisco to the present day, including the ownership history. For businesses with multiple locations, include the history of the original location in San Francisco (including whether it was the business's founding and or headquartered location) and the opening dates and locations of all other locations.

The San Francisco Wholesale Produce Market (“SFWPM” or the “Produce Market”) was built in the early 1960s and opened in 1963 in the Bayview-Hunters Point commercial district as part of a redevelopment effort. The merchants at that time were moved from what is now the area near the Embarcadero Center, where they had been in operation since the 1870s. The City and County of San Francisco assisted with obtaining financing for the project, which was fully repaid from merchant rent. The SFWPM, which held a 50-year ground lease from the City that expired in January 2013, operated from 1963-2013 as a City-controlled entity operated jointly by the City and County of San Francisco Market Corporation and the San Francisco Produce Association, with oversight by the City Controller and the Real Estate Department.

In 2013, when the 50-year ground lease expired, the leadership of the Produce Market, in order to preserve the long-term stability of the businesses, decided to create a new governance structure in the form of a non-profit entity. The City and County of San Francisco Market Corporation became the San Francisco Market Corporation and was able to negotiate a 60-year ground lease and plans for expansion under new legislation backed by Mayor Ed Lee and Supervisor Malia Cohen. The legislation provided the ground lease, and as a result the Produce Market plans to invest \$100 million in order to continue the economic benefit that it provides to the city of San Francisco.

The Produce Market currently occupies 300,000 square feet of space in 10 buildings, housing over 30 produce wholesalers and distributors, a restaurant and a catering business. The independent merchant businesses, united at one distribution center, are dedicated to providing Bay Area markets and retailers of all kinds with quality fresh produce. The merchants employ 650 full time employees. Over 50 percent of these businesses have operated more than 20 years, one since 1888.

The mission of the San Francisco Market Corporation is to link the produce and food communities of San Francisco and beyond through the successful operation and development of the Produce Market. The merchants sell and distribute a wide variety of produce to retailers across the Bay Area, including restaurants, independent grocery stores, hotels and other food businesses.

The Produce Market has become integral to San Francisco's culinary fabric by carrying out the behind-the-scenes sourcing and distribution of produce, while also partnering in pioneering the City's composting program to bring organic waste back to the region's farms.

b. Is the business a family-owned business? If so, give the generational history of the business.

San Francisco Market Corporation is not a family-owned business. However many of the merchants located within the Produce Market are family-owned generational businesses.

c. Describe the ownership history when the business ownership is not the original owner or a family-owned business.

From 1963 until the 50-year ground lease ended in 2013, the City and County of San Francisco Market Corporation operated as a City-controlled entity, jointly managing the SFWPM with the San Francisco Produce Association with oversight from the Office of the San Francisco Controller and the Real Estate Department. In 2013, when the lease ended, the City and County of San Francisco Market Corporation became the San Francisco Market Corporation, a non-profit entity whose goal is to continue to manage and grow the Produce Market. San Francisco Market Corporation currently operates with a Board of Directors and is no longer a City-controlled entity. It maintains a 60-year ground lease on the space to ensure the stability of the Produce Market as a space for produce merchants to sell their goods.

d. Note any other special features of the business location, such as, if the property associated with the business is listed on a local, state, or federal historic resources registry.

The building is not listed on any historic registry, however it is located in the heart of the Bayview-Hunters Point Production Distribution Repair (PDR) sector and has operated as a PDR space for over a century.

CRITERION 2

a. Describe the business's contribution to the history and/or identity of the neighborhood, community or San Francisco.

The Produce Market has long been associated with Bayview-Hunters Point and the greater city of San Francisco due to its longstanding history in the city. The current market, located since 1963 in the Bayview-Hunters Point commercial district, makes up a large produce district in the neighborhood, along with many other restaurant suppliers. The San Francisco restaurant community is heavily reliant on the Produce Market as it is a one-stop-shop for many of its produce needs, as well as many of the other restaurant resources nearby in the neighborhood. The Produce Market also has a regional pull, as restaurants from all over the region from Napa to Monterey visit or are serviced by the Produce Market to procure their produce, as it is easily accessible between I-280 and US 101 in the industrial Bayview District.

b. Is the business (or has been) associated with significant events in the neighborhood, the city, or the business industry?

Different from many small businesses in San Francisco, the San Francisco Market Corporation is largely associated with the development of the produce and food service sectors in San Francisco. The first largescale redevelopment of the SFWPM in 1963 was a significant event for the wholesale produce industry, as it provided a stable space for produce vendors to conduct business, and food service businesses to access product. The additional signing of a 60-year ground lease in 2013 and the formation of the nonprofit entity to protect the Produce Market also served as a landmark event in protecting PDR space in a city with very dire real estate issues.

c. Has the business ever been referenced in an historical context? Such as in a business trade publication, media, or historical documents?

Throughout the history of the Produce Market, it has been mentioned in a wide range of publications, from local media publications to business trade publications. Some of these publications include: SF Chronicle, The Packer (an industry publication), TechCrunch, Produce Business, Good Food Economy Digest, SF Magazine, SF Gate, SF Business Times, KPIX News, SF Examiner, FreshDigest and many more publications pertaining to the industry as well as local media.

d. Is the business associated with a significant or historical person?

San Francisco Market Corporation has a long history of working with the city's political elite. Because of its contribution to the vitality of San Francisco's food economy, the Produce Market has been a high priority of many politicians. George Moscone was behind the initial relocation of the Produce Market to Bayview-Hunters Point, though it was contentious among the vendors at the time. One of the vendors who worked to keep the Produce Market at its original downtown location was Joe Carcione, who later became famous for his role on television as the Green Grocer. Other figures include Mayor Ed Lee, Supervisors Malia Cohen and Sophie Maxwell, who both stood in support of maintaining the space as a mainstay of produce distribution in San Francisco.

e. How does the business demonstrate its commitment to the community?

The mission of the San Francisco Market Corporation is to link the produce and food communities of San Francisco and beyond through the successful operation and development of the San Francisco Wholesale Produce Market.

The vision of the San Francisco Market Corporation is to make the San Francisco Wholesale Produce Market a vibrant, thriving and sustainable food center.

The San Francisco Wholesale Produce Market fulfills an essential role in the Bay Area's food system. As the integral infrastructure link between farmers and consumers seeking fresh produce, the Produce Market provides a variety of services:

1. A Healthier Bay Area: The Produce Market supplies retail outlets throughout the Bay Area with fresh, healthy, affordable produce, as well active involvement in increasing access to healthy food in San Francisco as a founder of the Healthy Retail SF program, and produce donations to Bayview community organizations;
2. A Culinary Destination: The Produce Market is central to the behind-the-scenes supply chain that makes San Francisco a delicious place to live and visit;
3. Business Incubator: Supporting over 30 businesses, the San Francisco Market Corporation can provide the space, expertise and produce for anyone starting or growing a food business;
4. Support for Farmers: The merchants at the Produce Market source from local and regional farms, increasing the supply of local food and providing critical market access;
5. Food Recovery: The Produce Market has launched a first-of-its-kind food recycling program, working to prevent perfectly edible, healthy produce from going to waste; and
6. Education: Through programming open to community members of all ages, the San Francisco Market Corporation pulls back the curtain on food infrastructure and educates the public on how produce travels from farm to plate.

f. Provide a description of the community the business serves.

The San Francisco Market Corporation provides services and goods to a myriad of different communities through the wide variety of produce vendors it serves at the San Francisco Wholesale Produce Market and the nature of the Produce Market itself. The vendors themselves utilize regional suppliers, many of whom are farmers throughout the Bay Area and the Central Valley, and provide 650 jobs to members of the local community and the Bay Area. The vendors supply produce to a diverse array of restaurants, local markets, independent grocery stores, hotels and other food businesses ranging from all parts of the Bay Area, north to Napa and south to Monterey. Through donations to local community organizations based in Bayview-Hunters Point, the Produce Market serves the local residents with access to healthy produce. The Produce Market also has the goal to provide employment opportunities to the residents of Bayview-Hunters Point, a neighborhood with the city's highest unemployment rate and also highest percentage of diabetes as a result of it being a "food desert." The San Francisco Market Corporation serves to mitigate these issues and provide jobs and healthy food to the community whenever and wherever it can.

g. Is the business associated with a culturally significant building/structure/site/object/interior?

No, the San Francisco Wholesale Produce Market is located on an industrial site that does not have any such historical or cultural significance attached to it.

h. How would the community be diminished if the business were to be sold, relocated, shut down, etc.?

The loss of the San Francisco Market Corporation and, consequently, the San Francisco Wholesale Produce Market that it manages would be an enormous blow to the food economy of San Francisco, affecting the local community, the restaurant community and those that work for one of the various vendors that operate in the Produce Market. Because the Produce Market is concentrated in the Bayview-Hunters Point neighborhood, many of the restaurants do not have to travel long distances to gather their produce, and because the vendors are all located in the same place, travel time, money and pollution is lessened as a result. The city would also be losing a produce entity that has a history of over 135 years in San Francisco, as well as a key provider of jobs in the community.

CRITERION 3

a. Describe the business and the essential features that define its character.

The San Francisco Market Corporation operates and develops the San Francisco Wholesale Produce Market. The Produce Market is a wholesale business that provides a space for 31 produce vendors to conduct business in San Francisco. The Produce Market is located in one of the last PDR districts in San Francisco, the Bayview-Hunters Point commercial district, and is made up of several large warehouses that house the vendors in easily accessible spaces for distribution purposes. During operational hours, the vendors usually have trucks lined up to load and distribute produce throughout the region to local markets and restaurants. The site itself can largely be seen as a bustling market providing jobs and produce to the Bay Area and beyond.

b. How does the business demonstrate a commitment to maintaining the historical traditions that define the business, and which of these traditions should not be changed in order to retain the businesses historical character? (e.g., business model, goods and services, craft, culinary, or art forms)

The San Francisco Market Corporation is largely committed to maintaining the traditional sense of a food market. Produce markets have largely existed throughout history in many forms, however the one-stop-shop model that the Produce Market provides is an essential tradition that defines the business. Having a wide variety of vendors in the same place allows suppliers and restaurant/market clients to have ease of access to the goods they need to operate their businesses. The Produce Market also has a longstanding tradition of operating during the night,

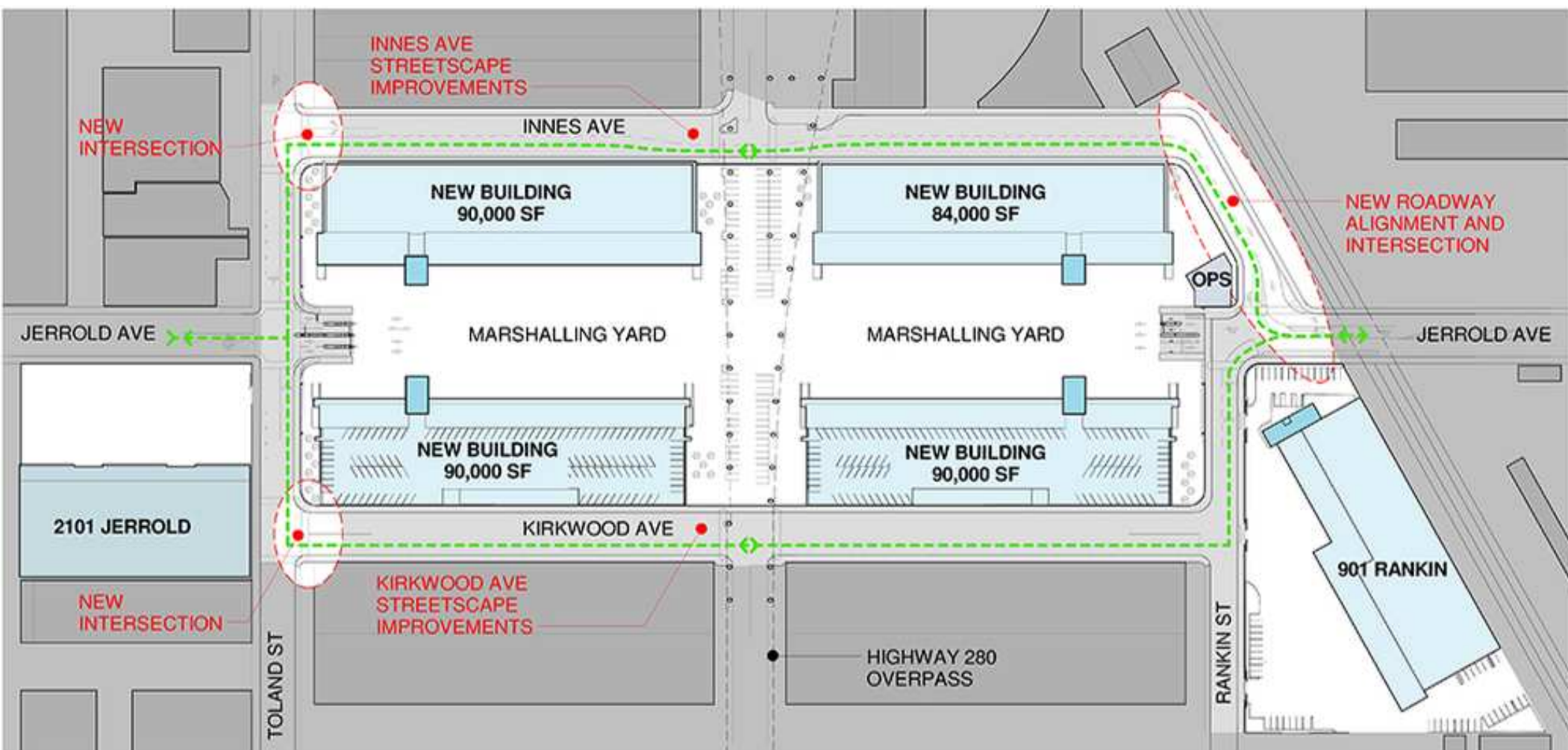
as this is when restaurants and other food-related businesses traditionally can purchase their produce in order to have it on site for their operating hours. Incubator space is also a tradition that the Produce Market has held on to, as being an affordable space for new vendors to grow and expand their clientele. The San Francisco Market Corporation has long held the tradition of providing space where the produce industry can grow and thrive and providing affordable space to small produce vendors to access the enormity of the Bay Area food scene and culture.

c. How has the business demonstrated a commitment to maintaining the special physical features that define the business? Describe any special exterior and interior physical characteristics of the space occupied by the business (e.g. signage, murals, architectural details, neon signs, etc.).

The San Francisco Wholesale Produce Market is located in a large scale PDR neighborhood in buildings that are largely bland industrial warehouses housing many vendors. The long term ground lease, however, provides the opportunity for the San Francisco Market Corporation to redevelop the Produce Market into an even more cohesive hub for produce vendors, as new buildings will be built to house these vendors. There is also a plan to enclose the Produce Market to prevent through traffic and allow a safer, greener atmosphere for the vendors. The San Francisco Market Corporation has already completed two new modern structures, one of which is Gold LEED Certified at 901 Rankin Street which houses three vendors including Good Eggs and Mollie Stones. The entire area is undergoing a massive redevelopment project in partnership with the Public Utilities Commission in order to further maintain the area as a hub for San Francisco's industrial economic sector, and the San Francisco Wholesale Produce Market is central to this vision.









SAN FRANCISCO
WHOLESALE PRODUCE MARKET

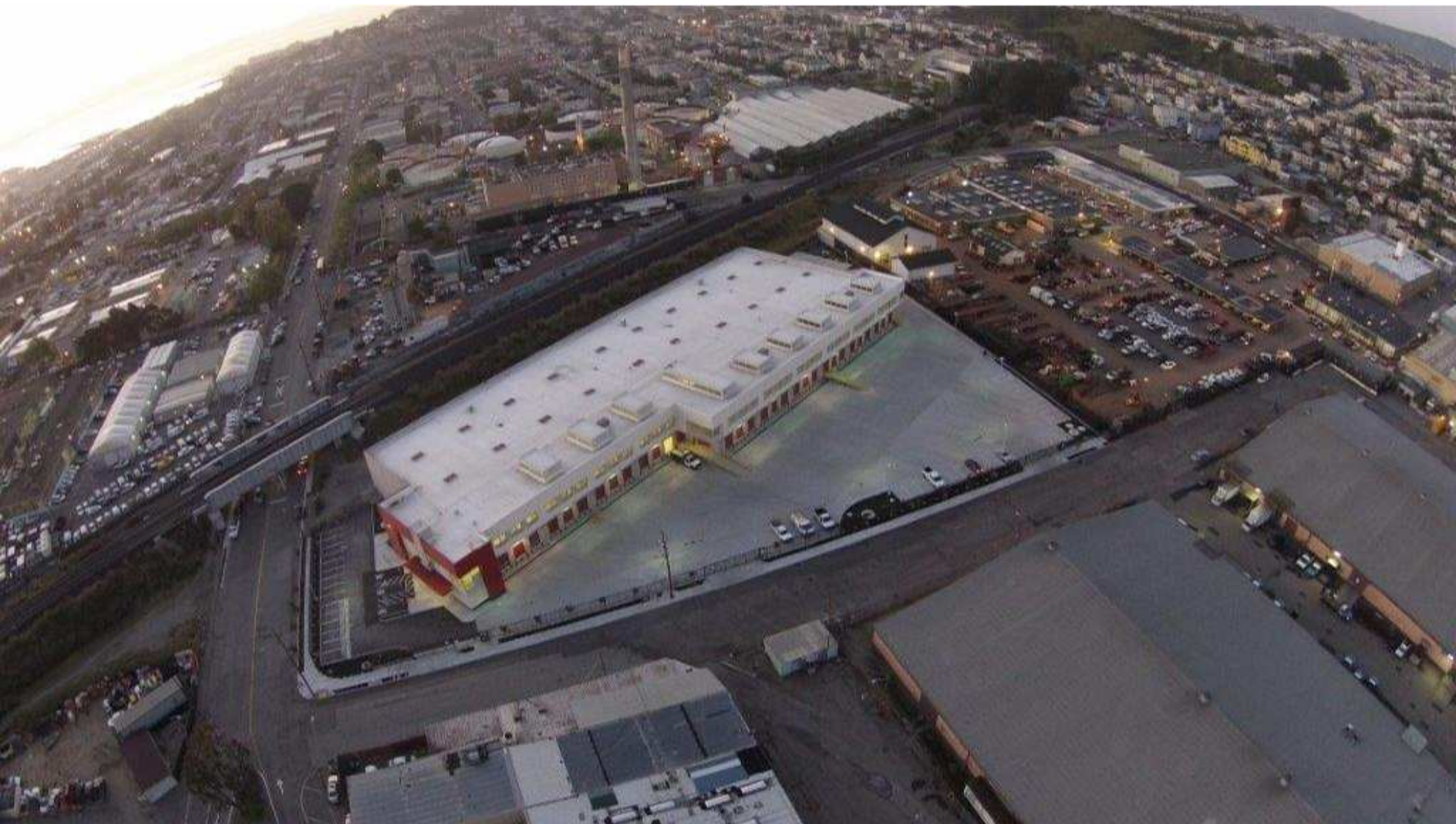
GOLDEN BANANA

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THAT CHEONG PRODUCE













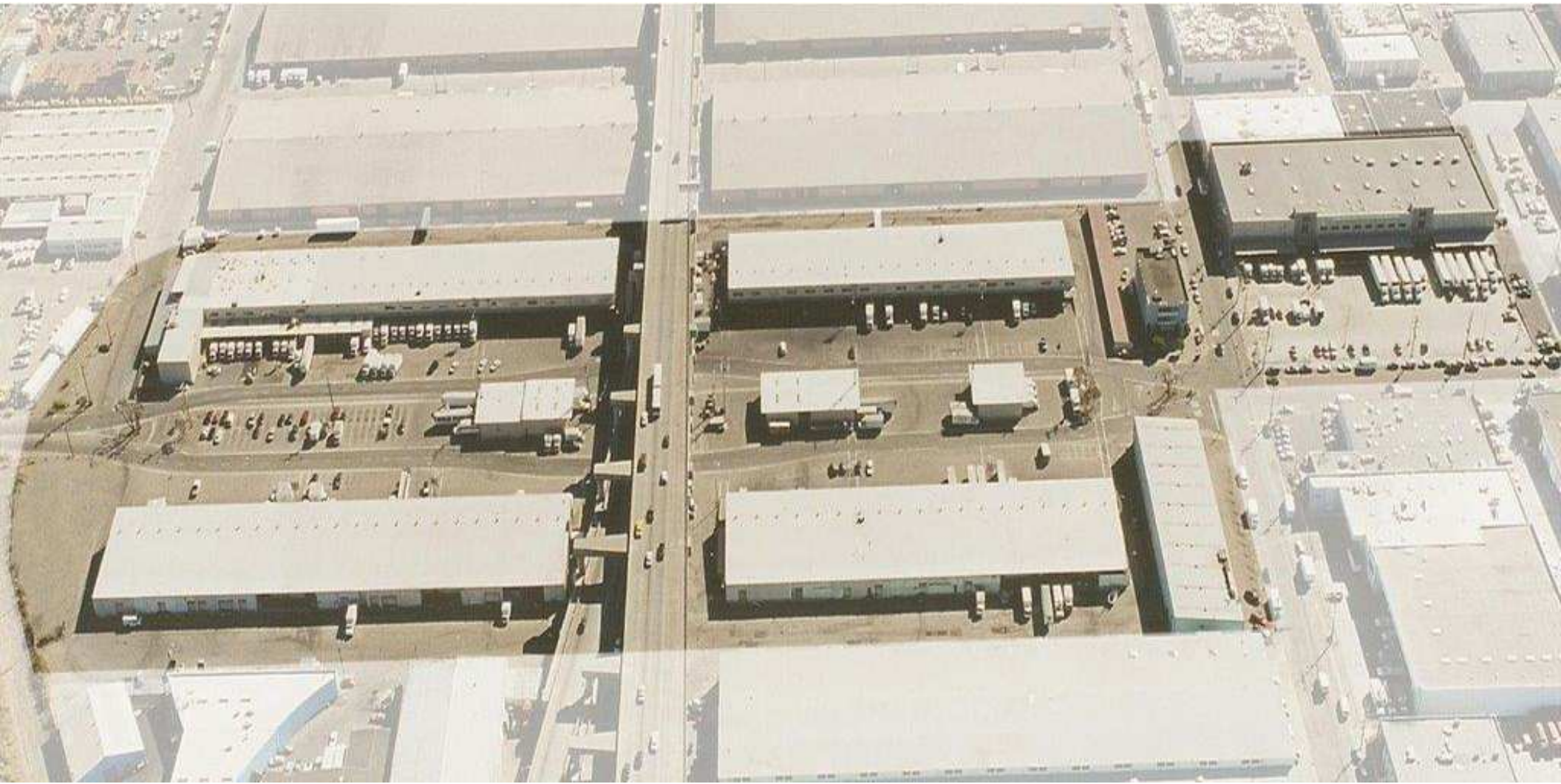






















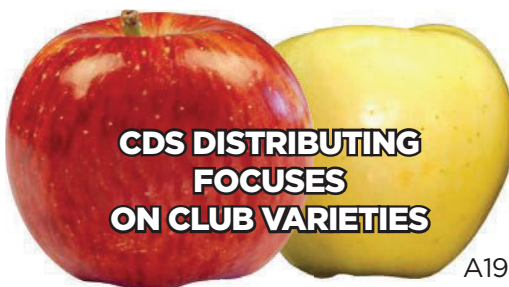




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Expansions, newcomers invigorate produce market

By Mike Hornick
Staff Writer

The San Francisco Wholesale Produce Market continues to find renewal in the arrival of new merchants and expansions by veteran companies.

Stanley Produce is soon moving to a building on the west side of the market. "They're making a major investment and upgrading with new refrigeration," Michael Janis, general manager of the San Francisco Wholesale Produce Market, said Sept. 14. "The new space and new location at the market and investment will position Stanley Produce to build upon its many years of success."

New City Fruit & Produce recently expanded its refrigeration and its kitchen for employee meals. Within the past year, S&L Wholesale Produce added another stall to its operations. Shasta Produce has doubled its space and is in the process of installing refrigeration.

The 60-year lease renewal that the market received from the city in 2013

continues to generate investment.

"Since then, the amount of improvements done not only by the market but by the merchants is phenomenal," Janis said. "That fits right within our strategy of long-term continual investing and upgrading of the market."

The wholesale market has also taken another step toward e-commerce with the arrival of GrubMarket, which delivers organic and locally sourced products. Another merchant from the online and organic world, Good Eggs, has solidified its position in the San Francisco Bay Area after struggling in some other cities. Good Eggs operates in about 55,000 square feet.

"What's unique about our market is the diversity of business types," Janis said. "In San Francisco, it's natural to have businesses marrying technology and distribution. Businesses are sharing infrastructure yet competing, but the technology component stands out. These two are typical technology companies funded by outside sources.



Courtesy Arcadio's Produce

The San Francisco Wholesale Produce Market has a history of making space for small startup produce companies, and Arcadio's Produce is the latest company making a go of it, says Michael Janis, the market's general manager. Arcadio's was operating out of a truck before market management found them 400 square feet.

They have people cooling and they also have people coding. It's a very different business model, but what they have in common with merchants who have been here for 80 or 90 years is that they're moving food."

The market also remembers its his-

tory of making space for small startups. Earl's Organic Produce started with a desk on a back dock and is now in 35,000 square feet.

Arcadio's Produce is the latest example of a new company trying to carve out a niche.

"They were just operating out of a truck," Janis said. "They needed a little space, but the market has been full. We never want to slam the door, we want to keep it open for what may become the next big company. So we found them about 400 square feet and a small refrigerator about a year ago. Now they've got three or four trucks, they're busting at the seams and need more room."

Arcadio's Produce partner Manuel Orozco and his brother worked at GreenLeaf for about 12 years before striking out on their own.

"We kept giving a lot of support to the market, mainly some new customers," Orozco said. "They gave us a chance and a little space."

"GreenLeaf's people really know what they're doing, and we were lucky to learn the whole process there," he said. "We're doing something small but similar with good quality, good customer service and prices." Arcadio's now has about 40 clients.

Earl's Organic finds niche for premium locally grown produce

By Mike Hornick
Staff Writer

Just a few acres, or even pallets, of organic fruits and vegetables can be enough to excite some retailers in the San Francisco Bay Area, so Earl's Organic Produce connects them with product from California's boutique growers.

The extra cost that inevitably adds to blueberries, tomatoes, apples and the rest can only be justified by quality. Flavor is the main attribute. Unusual timing or great shelf life can also help.

"Everybody's selling organic one way or another, whether it's Raley's, Whole Foods or Safeway," said Earl Herrick, owner of Earl's Organic Produce. "So smaller retailers command their presence on the market by having something unique. Though it may be higher priced, most people understand they're getting unique items with added value. We enjoy working that small grower."

Blueberries from Forbidden Fruit Orchards, a 6-acre oper-

ation in Lompoc, Calif., were making their last hurrah of 2016 in late September with the arrival of a single pallet at Earl's Organic. The wholesaler has worked with grower Sandy Davis for a decade or so.

"We're able almost to auction them off," Herrick said. "We try to find the right price point that it takes me a week to sell a pallet in the fall. We sometimes see resistance because of sticker shock, but if you compare it to any of the imports in flavor there's no comparison. People have kept them for up to two weeks in a refrigerator. It's a blueberry that can hold up and you can cherish."

Price premiums on such items can stop seeming absurd when you consider some things that are happening in the broader produce industry.

"Look at apple prices, with Honeycrisp selling for \$80 a carton," Herrick said. "If the volume is right, you can find the money that works for everybody."

"Forbidden blueberries aren't for everybody, but the retailers

who have it sell a lot," he said. "What happens is that you get a broad exposure to different people. They may not buy five or six clamshells, but a lot are buying steadily."

Earl's Organic has lately been featuring tomatoes from another boutique grower, Ellwood Canyon Farms in Goleta, Calif.

"The owner took over an old property that was grown organically for decades but hadn't been worked for a while, called the Growing Concern," Herrick said Sept. 23.

"This spring he had a great crop of sugar snap and snow peas. Now in his tomato program he's running up some great mixed medleys, heirlooms and a nice San Marzano roma. It's kind of a farmers market thing, but he's able to pack it and have the quality such that we can resell it and get it to the smaller retailers in the Bay Area who appreciate unique items. Again, we're able to support a small grower on his land doing a great job."

For apples, Earl's Organic

will have California fruit until it runs out, probably in November, and source fully from the Pacific Northwest thereafter. Until then the wholesaler will promote regional growers like Rider and Sons, Freedom, Calif.; and Cuyama Orchards in Santa Barbara County.

"We love Cuyama's fuji's, their galas, grannies and Honeycrisp, and of course their Arkansas blacks," Herrick said. "It's a great selection of high quality apples, grown at a little higher elevation and in the middle of nowhere, so there isn't the usual pest pressure."

When local sources dry up, there are other ways to profit.

"A wholesaler has an opportunity when the local deals end," he said. "Then we're able to supply local customers with a larger percent of their set."

When rains and chill come to much of California, for example, Earl's will turn to partners in the Mexican vegetable business like Covilli.

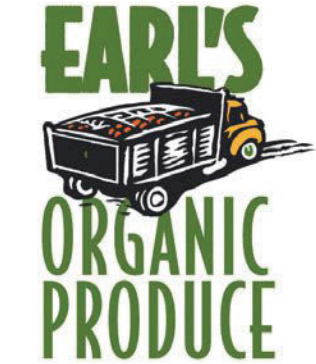
Some California items proved disappointing. Organ-

ic keitt mangoes, for example, were available in much lower numbers to the wholesaler than last year.

"It's a wonderful mango," Herrick said. "Last year we had outstanding movement, but this year was just a fraction."

An early end to the California avocado season was also a surprise.

Earl's Organic Produce recently named a new director of sales, Drew Knobel, who's a vet-



eran of the San Francisco scene.

"Our growth continues to be strong," Herrick said. "We're up to 90 employees now."

White tablecloths fade; corporate dining gains

By Mike Hornick
Staff Writer

The foodservice scene in the San Francisco Bay area has been drifting away from fine dining formats, but bars and corporate cafes are gaining ground.

Those cafes are picking up some of the slack for produce sellers, and even the bars need garnishes or appetizers.

Employees stuck with one- or two-hour commutes each way, often in company-provided buses, are eating more of their meals in corporate foodservice — a growing part of the business for distributors like Brisbane, Calif.-based GreenLeaf Produce.

When they go out on the town, it's often for drinks instead of lunch or dinner.

"The white tablecloth restaurants are struggling," said Frank Ballentine, GreenLeaf Produce president. "They're designed mainly for the baby boomer generation. In the city they're being replaced by a lot of high-tech workers, and that's not where they want to go. The demographics determine the type of restaurant."

Rising rents and labor costs plus a shortage of labor have

forced many restaurants to raise prices and the result has been a loss of foot traffic.

"Produce prices are basically flat or in a bit of deflation on average now," Ballentine said. Naturally, that can't make up for what's happening to other costs.

GreenLeaf's corporate foodservice clients include Apple and Facebook.

"The corporate cafes are doing well," he said. "They're feeding more people and more meals as they grow. They're putting employees on buses because the commute is so bad in the Bay Area. They want to get the most productivity out of them that they can, so they provide the food and a lot of services to keep everyone happy."

"That changes the restaurant scene," Ballentine said. "Because if you're full and you go out, you're going to drink. So most of the restaurants that are opening, especially in Silicon Valley, are basically bars serving high-end bar food."

"They're going for mixology drinks which run from \$18 to \$26," he said. "There are also fast-casual restaurants, or high-end places for \$100 a plate and up. There is always a need for quality produce."

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San Francisco market dives deep for food recovery

By Mike Hornick
Staff Writer

The San Francisco Wholesale Produce Market has made big strides toward getting unmarketable but still fresh produce to food banks faster and in higher volumes during a three-month pilot project.

In one three-week stretch the project, which in September neared completion, recovered about 30,000 pounds of produce that otherwise would have been composted. That was from just four merchants — Washington Vegetable, S&L Wholesale Produce, Stanley Produce and Berti Produce.

The market's 30 merchants donate more than 100,000 pounds each year. The new program's amounts can't be generalized yet, given sharp weekly fluctuations. But the yearly gains are expected to be substantial if or when it's scaled to all 30, a step the board will soon consider.

A new hire, Carolyn Lasar, is coordinating the market's effort. Before, merchants were largely left to handle things on their own.

"Food recovery is a huge issue na-



Courtesy San Francisco Wholesale Produce Market

The San Francisco Wholesale Produce Market's Carolyn Lasar shows colored carrots recovered from market vendors for donation to a food bank. Lasar was hired recently to coordinate the market's 30 merchants in a pilot project to collect more of the market's unmarketable produce.

tionwide now," said Michael Janis, general manager for the San Francisco Wholesale Produce Market. "Like other markets we've done great work with food banks and nonprofits for years, moving excess product to them. But then we asked, what happens if we dive deep into this and have a market

team member work every day with our merchants to identify every potential pound or box that could be diverted for people to eat?"

"Despite everyone's best efforts, there is still product moving into compost that could be going to hungry mouths," he said.

There are many ways good produce becomes unmarketable, from cosmetic flaws to incompatibility with a buyer's processing equipment. Part of the market's task now is to get it ready for receivers.

"Often our partners don't have the capacity to deal with the product if they have to remove leaves, clean it or can only use half a box," said Andrea Brock, program manager for the San Francisco Wholesale Produce Market. "We're putting in some work to make sure what people get from the market is 100% ready to use."

"It's like repacking, but we call it gleaning because that's the term used in food recovery at the farm level," Janis said. "Historically we thought of this as waste management, but now we're positioning it around food recovery."

Donors also benefit.

"It takes a lot of effort by our merchants to donate product," Brock said. "Often it takes several calls to different organizations to arrange a pick-up. Since Carolyn took that work on, she's made it possible to get more product off the market."

The social responsibility initiative

also has implications for the bottom line.

"If this product can get to organizations that distribute food, that will save merchants fees for composting it," said Janis.

"Warehouse and cooler space is limited," Brock said. "If there's product merchants can't sell, they are excited to be able to give it away and free up space for incoming product."

Given the high profile of social responsibility issues in the San Francisco Bay Area, the program might also attract volunteers over time.

"Many food banks today have wonderful programs for volunteers who help pack or unpack boxes," Janis said. "We can envision a program at the market where people who are passionate about this help us glean the product."

"We put some resources into this and measured the results, and thus far they show that a longer-term program could benefit people meaningfully," Janis said. "Our big finding is that we're delighted by how much more is out there. This is new product that's being recovered. It's not taking the place of other product."

CDS Distributing Inc. aims to be the leader in supplying newer club apple varieties to its customers, such as Honey Bear Tree Fruit Co.'s Smitten apple variety, which the company is introducing in a bigger way this year, says Alberto Navarro, sales manager.



Courtesy CDS Distributing Inc.

CDS Distributing is Smitten with club apples, tree fruit

By Mike Hornick
Staff Writer

Most fresh apples on the northern California market pass through San Francisco-based CDS Distributing Inc.

"CDS has positioned itself as the premier leader in the newer club varieties, introducing them to foodservice, retail and wholesale," said Jan Garrett, who joined the company in July as vice president of marketing and business development.

Varieties gaining acceptance or continuing their growth trend of recent years include Ambrosia, grown primarily by CMI Orchards; Smitten, from Honey Bear Tree Fruit Co.; and the Aurora Golden Gala from Auvil Fruit Co.

"The Smitten we're introducing in a bigger way," said Alberto Navarro, sales manager. "You'll see point-of-sale material and demos in the stores. We're really pushing that."

"Last year there was just a handful of Smitten out of Washington. Now we expect quite a few more," he said "We look forward to it becoming one of the top apples in the next four or five years. It's from New Zealand originally, with a flavor similar to braeburn or crisp pink."

Navarro got his first taste of the new Aurora crop Sept. 16, the same week that Ambrosia kicked off at CDS. "The flavor is really good," he said. "It's a delicate apple with a nice balance, not too tart and not too sweet."

Other offerings include Sweetango and Honeycrisp.

For Honeycrisp, f.o.b. prices in the \$60 to \$70 range haven't killed demand. "No matter what they retail for, people want them,"

Navarro said. "Each year that goes further through the season, and it will probably be the third or fourth-most grown apple in Washington within a few years."

On top of those and more common commercial varieties, organic heirloom apples will be on offer this fall through CDS co-owner Craig Campbell in his role as grower and partner in Harmony Orchards, Tieton, Wash. Apples grown there include Ashmead's Kernal, golden russet, Pixie Crunch and Lady, said Navarro. They typically go to smaller local retailers or restaurants.

"Lady apples are a niche item, hand-polished, really cool-looking and they're the size of a golf ball," Navarro said. "He packs about 12,000 boxes a year, all in 12-pound boxes." Lady, also known as the Christmas apple, is available mid-September to early January.

In late September there were still some California apples on the market, but the big action was on Washington fujis, galas, granny smiths and other mainstream varieties.

"The older varieties like red delicious and golden delicious are transitioning out in volume and most new acreage is being planted in the club apple varieties," Garrett said.

CDS Distributing serves clients ranging from Chico and Sacramento in the north to as far south as Bakersfield. Besides apples, the company offers a wide range of tree fruit, potatoes and onions. In California, CDS represents 80% of apple volume grown in the state and 75% of cherry volume. Its products are sourced from several regions and countries.

Twin Peaks adds Mexican vegetables

By Mike Hornick
Staff Writer

Twin Peaks Distributing Inc. is extending its reach, adding Mexico vegetables to its offering and drawing more on Texas citrus than last year.

"We are trying to shake up the industry with what we're doing here," said Guy Davidoff, co-owner with Robert Scuteguazza of South San Francisco-based Twin Peaks. "We have so many different commodities and a lot of chain stores don't know it. We'd love to do business with them."

Lunardi's Markets is one local retail chain served.

Some changes were sparked by the recent arrival of Jack Holliday, a sales veteran previously with Bay Area Produce Inc., at Twin Peaks.

"He has brought in a whole new energy level and is pushing hard in the Mexican vegetable deal as well as creating a melon deal," Davidoff said. "It's all new to Twin Peaks. Jack has brought a whole new dimension to our company."

Another salesman, Jose Zelada, handles a citrus deal supplied from California, Texas, Peru and even Australia. The company

represents Wonderful Citrus, including its Halos mandarin label.

"The California citrus market is very tight now, so we plan on having plenty of supply out of Texas," Davidoff said in late September.

Out of Mission, Texas, Twin Peaks was loading Mexican lemons from Wonderful Citrus. The distributor is also bringing in Texas oranges and Wonderful's Sweet Scarletts red grapefruit.

"The grapefruit will start around Oct. 10-12 and we'll have them in the Bay Area," he said. "Sweet Scarletts is a premier label on the local markets here. Wonderful does an exceptional package." Texas navels will probably start the first week of October. The distributor will also have some valencias.

Twin Peaks' fall California and Chile grape deals are run by Mike Richards, sales. The company's California grape marketing partners include Sunlight International Sales, R J Sales and Columbine Vineyards.

Richards and Holliday collaborate on a cucumber deal with grower-shipper Prime Time International, and get peppers there as well. Cucumber supply out of Baja was short in late September.

"Cucumbers are a very tough deal to



Courtesy Twin Peaks Distributing Inc.

Salesmen Jack Holliday (from left), Jose Zelada and Mike Richards join co-owner Guy Davidoff Sept. 16 at Twin Peaks Distributing Inc. in South San Francisco.

work and we're lucky to have people like Prime Time trying to help us along this path to grow," Davidoff said. "They started cucumbers a couple years ago with outside growers, and then went from the growers' label to the Prime Time label."

Pepper supply, on the other hand, was good, with loading in Somis, Calif., on reds, greens and yellows.



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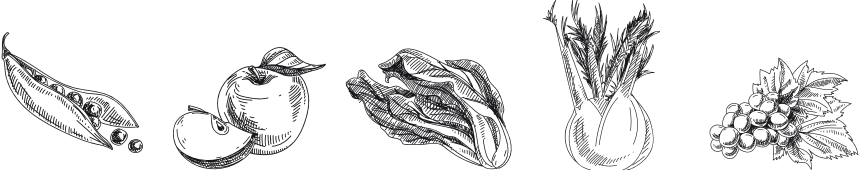
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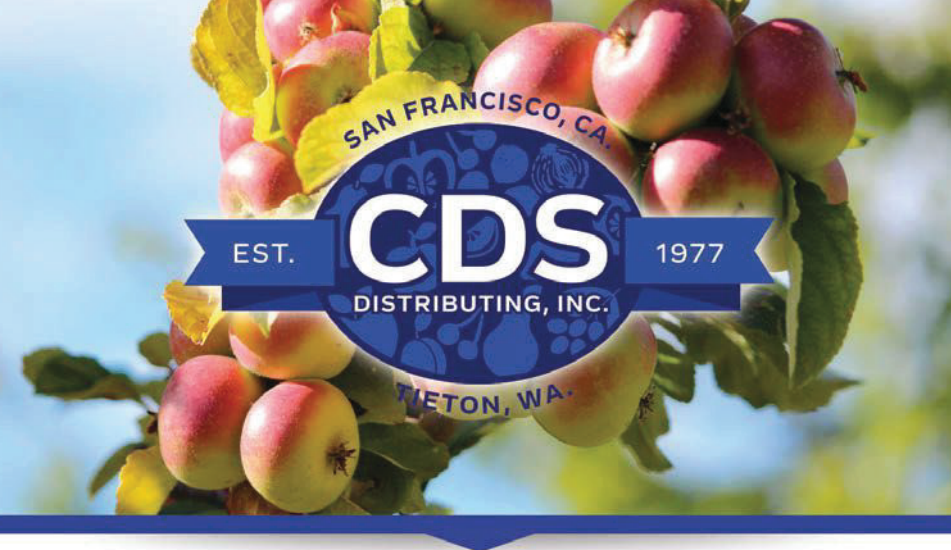


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FOOD ISSUES

Second life for fresh produce

By Tara Duggan

Ebony Wilkerson's eyes widen when she sees the cases of fresh portobello mushrooms and bunches of bright green organic cress with their roots still attached.

"You want to take something?" asks Carolyn Lasar, food recovery coordinator at the San Francisco Wholesale Produce Market, whose job is to get donations of produce that merchants can't use to local organizations that feed the hungry.

"Yes!" says Wilkerson, who prepares 50 to 60 meals and snacks every day for homeless families at Catholic Charities in San Francisco. This is her first time getting donations at the market. Normally she has to sort through whatever she can find at the Food Bank and uses up her budget at Safeway or Costco. The quality here is so much better, with boxes of still-pristine Earthbound Farms organic salad greens and cauliflower that couldn't be sold because of slight marking.

"I'm super excited," she says. "I can't wait to do sweet-and-sour cauliflower."

Located in the Bayview neighborhood, the San Francisco Wholesale Produce Market is one of the Bay Area's biggest produce hubs inside one of its largest food deserts. At the end of a working day, which goes from midnight to 7 a.m. for the 31 produce businesses that lease space at the market, there's usually a lot of leftover fresh and edible fruit and vegetables that can't be sold for various reasons — and nowhere to store it.

"For us to throw it in the dumpster is a crying shame," says Stanley Corriea Jr. of Stanley Produce Co., who has 150 pounds of sprouting garlic, each box worth \$95 at its prime, to donate.

In August, the market hired Lasar to ensure that more of the food goes to the hungry rather than compost bins.

Working with about half of the merchants, the program has recovered more than 224,000 pounds of produce, enough to supply roughly 186,000 meals.

Walking around the market with more visitors from Catholic Charities, Lasar points to a donation of 50 cases of broccoli packed in ice with freshly cut stems but slightly yellow tips.

"But that looks better than Safeway," says Tim Evans of Catholic Charities.

There are several reasons the food gets left over. A supplier might send a produce company the wrong order — on the day I visited, those 100 cases of organic salad greens were supposed to be arugula — and the produce company can't find anyone to buy it. Or the produce might be like the broccoli, perfectly edible but just past its prime, making it unusable for a grocer that needs it to last several days. Or there might just be a glut.

Yet getting all this food to the needy is complicated. There's a window of just a few hours between when merchants decide to give it up and charities have to come get it. Lasar doesn't know what's available until she gets to work each morning, and then she quickly texts clients, including Mother Brown's Kitchen in the Bayview, Glide Memorial United Methodist Church, Food Runners and Little Sisters of the Poor. They have to pick it up by 10, whether in a van, if they have one, or someone's station wagon.

Homeless shelters and soup kitchens have their own limits on cold storage and staff, and menus are often planned months in advance. Getting donations of spinach or cress to add to a salad is easier than vegetables that need a lot of prep.

"Nobody wants artichokes," Lasar says.

For years, the wholesale market donated extra produce to the SF-Marin Food Bank,

which now more often works directly with large farms. In 2013, the market signed a new 60-year lease with the city, and its organization changed to nonprofit status. That's when it expanded its community programs, including one that gets more fresh produce into corner stores in the Bayview.

Ironically, the wholesale market was where the city piloted its compost collection program back in 1996, which diverted organic matter from landfill. Now the goal is to divert food from the compost bin.

The wholesale market is applying for a grant so it can expand the program and possibly invest in its own cold storage to hold donated food longer for charities. Eventually, it might get its own delivery vehicles.

Recovering more food reduces the merchants' compost fees. But that's not the main reason they do it. As the cost of living surges, so do hunger rates in San Francisco, which increased by 4 percent between 2007 to 2014 according to SF-Marin Food Bank.

"The saddest thing is when you have to lock up the garbage," says Corriea, whose grandfather and father found-





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Top: At S.F.'s Wholesale Produce Market, Carolyn Lasar (right) hands a box of donated greens to Ebony Wilkerson of Catholic Charities. Above: Organizing donated fruit at the market.

ed his company in 1941 when the wholesale produce market was located on the Embarcadero.

Lasar has worked in food recovery and agriculture for years, and she knows all the work and resources that go

into growing each onion and orange. She'd love to get more of them to people in need.

"With each of the cracks in the system, the resources slip away," she says. "On the other side, you have so many hungry people — so many people

without an adequate healthy diet.

"The food is here."

Tara Duggan is a San Francisco Chronicle staff writer. Email: tduggan@sfgchronicle.com Twitter: @taraduggan

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Foodservice plays a big role in Bay Area

Tom Burfield

October 13, 2017 01:11 PM



CORRECTED: With a town full of foodies and home to some of the finest restaurants in the U.S., it's no wonder foodservice plays an important role for Northern California produce distributors.

“San Francisco is the world of foodies,” said Larry Brucia, president of the San Francisco Wholesale Produce Market Board of Directors and president, CEO and owner of Burlingame, Calif.-based John Sutti & Associates Inc., a firm that designs and builds supermarkets.

“People are not afraid to be adventurous in food,” he said.

That’s why chefs love looking at new things, like colored cauliflower or edible flowers, he said, and that presents a lot of opportunities for produce suppliers.

“Things that are unique and different are embraced,” he said. “Not all of them work — some of them fail — but others catch on.”

The produce market has a highly diverse customer base, added Michael Janis, general manager. And the restaurant segment is “a huge strength.”

Companies like Cooks Co. Inc. and VegiWorks Inc. continue to perform well, he said.

“They focus heavily on the restaurant side,” he said. “Without a doubt, they continue to see a lot of growth.”

Twin Peaks Distributing Inc. on the Golden Gate Terminal Market in South San Francisco has done a “significant amount” of foodservice business consistently for the past six or seven years, said Guy Davidoff, an owner of the company.

“We have wonderful neighborhood restaurants,” he said, which means people don’t have to get dressed up and go out to a fancy eatery to enjoy good food.

“Consumers want the best produce,” he said.

The San Francisco area is close to the growing area and has foodservice distributors that provide “some of the finest product in the U.S.,” Davidoff said.

Bay Area Herbs and Specialties LLC on the Golden Gate Produce Terminal does a lot of foodservice business, said Steven Hurwitz, owner and president, and sales are strong.

“The economy in the Bay Area is very robust,” he said.

That means big companies have bigger budgets for entertaining in restaurants, Hurwitz said.

While restaurants may buy a certain amount of organic produce, not many are certified organic or offer 100% organic fruits or vegetables, said Robert Lichtenberg, director of purchasing for Earl’s Organic Produce on the San Francisco Wholesale Produce Market.

“Where there’s a marketing edge, they use (organic),” he said. “But if it’s not marketed as organic, mostly, they don’t buy organics.”

Pete Carcione, president of Carcione's Fresh Produce Co. Inc. on the Golden Gate Produce Terminal, said about 20% of the company's business comes from people who buy for restaurants, and he said that volume has increased.

One of the company's customers is The FruitGuys, South San Francisco, which buys ripened bananas from Carcione's that are delivered to offices at some of the region's major technology companies.

Those who procure fruit for the large corporations are very picky about what they buy, he said. Brucia said he sees plenty of potential at foodservice for produce suppliers, particularly those on the market.

"One of the goals of the market should be to continue to reach out to the food community of San Francisco and let them know that coming down to the market and actually seeing and experiencing new products is a very exciting and dynamic thing to do and is worth their while."

Note on correction: The original version of this story incorrectly identified the extent of The FruitGuys' business with Carcione's.

Filing Date: December 18, 2017
Case No.: 2017-016398LBR
Business Name: San Francisco Market Corporation
Business Address: 2095 Jerrold Avenue, #212
Zoning: PDR-2 (Production, Distribution, and Repair)
80-E Height and Bulk District
Block/Lot: 5284A/004
Applicant: Michael Janis, General Manager
2095 Jerrold Avenue, #212
San Francisco, CA 94124
Nominated By: Supervisor Malia Cohen, District 10
Staff Contact: Shelley Caltagirone - (415) 558-6625
shelley.caltagirone@sfgov.org
Reviewed By: Tim Frye – (415) 575-6822
tim.frye@sfgov.org

BUSINESS DESCRIPTION

The San Francisco Wholesale Produce Market (“SFWPM” or the “Produce Market”) was built in the early 1960s and opened in 1963 in the Bayview-Hunters Point commercial district as part of a redevelopment effort. The merchants at that time were moved from what is now the area near the Embarcadero Center, where they had been in operation since the 1870s. The City and County of San Francisco assisted with obtaining financing for the project, which was fully repaid from merchant rent. The SFWPM, which held a 50-year ground lease from the City that expired in January 2013, operated from 1963-2013 as a City-controlled entity operated jointly by the City and County of San Francisco Market Corporation and the San Francisco Produce Association, with oversight by the City Controller and the Real Estate Department.

In 2013, when the 50-year ground lease expired, the leadership of the Produce Market, in order to preserve the long-term stability of the businesses, decided to create a new governance structure in the form of a non-profit entity. The City and County of San Francisco Market Corporation became the San Francisco Market Corporation and was able to negotiate a 60-year ground lease and plans for expansion under new legislation backed by Mayor Ed Lee and Supervisor Malia Cohen. The legislation provided the ground lease, and as a result the Produce Market plans to invest \$100 million in order to continue the economic benefit that it provides to the city of San Francisco.

The Produce Market currently occupies 300,000 square feet of space in 10 buildings, housing over 30 produce wholesalers and distributors, a restaurant and a catering business. The property is bound by Innes Avenue to the north, Kirkwood Avenue to the south, Toland Street to the west, and the railway alignment to the east. The independent merchant businesses, united at one distribution center, are dedicated to providing Bay Area markets and retailers of all kinds with quality fresh produce. The merchants employ 650 full time employees. Over 50 percent of these businesses have operated more than 20 years, one since 1888.

The mission of the San Francisco Market Corporation is to link the produce and food communities of San Francisco and beyond through the successful operation and development of the Produce Market. The

merchants sell and distribute a wide variety of produce to retailers across the Bay Area, including restaurants, independent grocery stores, hotels and other food businesses.

The Produce Market has become integral to San Francisco's culinary fabric by carrying out the behind-the-scenes sourcing and distribution of produce, while also partnering in pioneering the City's composting program to bring organic waste back to the region's farms.

San Francisco Market Corporation office is located on the south side of Jerrold Avenue between Toland and Selby streets in the Bayview neighborhood. The subject business is located within the PDR-2 (Production, Distribution, and Repair) Zoning District and an 80-E Height and Bulk District.

STAFF ANALYSIS

Review Criteria

8. *When was business founded?*

The City and County of San Francisco Market Corporation was founded in 1963. The corporation was transferred from a City-controlled entity to the control of the San Francisco Market Corporation non-profit in 2013. The San Francisco Wholesale Produce Market, which is governed by the San Francisco Market Corporation, was originally founded in 1870s along the Embarcadero Center. The Produce Market has been in its current location since 1963.

9. *Does the business qualify for listing on the Legacy Business Registry? If so, how?*

Yes, San Francisco Market Corporation qualifies for listing on the Legacy Business Registry because it meets all of the eligibility Criteria:

- iv. San Francisco Market Corporation has operated for 55 years, first as a City-controlled entity and now as a non-profit entity. The corporation is also associated with the Produce Market that it governs and that has operated in the City for nearly 150 years.
- v. San Francisco Market Corporation has contributed to the identity of the Bayview neighborhood and to San Francisco's culinary heritage by acting as a foundation for the food economy in the City. The corporation governs the Produce Market, which supplies markets, stores, hotels, and restaurants throughout the region, and it provides many local jobs in the community. The business also provides local access to produce to the surrounding residents.
- vi. San Francisco Market Corporation is committed to maintaining the physical features and traditions that define the produce market. The market is located in a large scale PDR neighborhood in buildings that are industrial warehouses housing many vendors. The long-term ground lease secured by the corporation provides the opportunity to redevelop the market into an even more cohesive hub for produce vendors, as new buildings will be built to house these vendors. There is also a plan to enclose the market to prevent through traffic and allow a safer, greener atmosphere for the vendors. The corporation has already completed two new modern structures, one of which is Gold LEED Certified at 901 Rankin Street which houses three vendors including Good Eggs and Mollie Stones. The entire area is

undergoing a massive redevelopment project in partnership with the Public Utilities Commission in order to further maintain the area as a hub for San Francisco's industrial economic sector, and the San Francisco Wholesale Produce Market is central to this vision..

10. *Is the business associated with a culturally significant art/craft/cuisine/tradition?*

The business is associated with the culinary traditions of a wholesale food market that distributes produce throughout the region to local markets and restaurants.

11. *Is the business or its building associated with significant events, persons, and/or architecture?*

Yes. Different from many small businesses in San Francisco, the San Francisco Market Corporation is largely associated with the development of the produce and food service sectors in San Francisco. The first largescale redevelopment of the SFWPM in 1963 was a significant event for the wholesale produce industry, as it provided a stable space for produce vendors to conduct business, and food service businesses to access product. The additional signing of a 60-year ground lease in 2013 and the formation of the nonprofit entity to protect the Produce Market also served as a landmark event in protecting PDR space in a city with very dire real estate issues.

12. *Is the property associated with the business listed on a local, state, or federal historic resource registry?*

No.

13. *Is the business mentioned in a local historic context statement?*

No.

14. *Has the business been cited in published literature, newspapers, journals, etc.?*

Yes. Throughout the history of the Produce Market, it has been mentioned in a wide range of publications, from local media publications to business trade publications. Some of these publications include: SF Chronicle, The Packer (an industry publication), TechCrunch, Produce Business, Good Food Economy Digest, SF Magazine, SF Gate, SF Business Times, KPIX News, SF Examiner, FreshDigest and many more publications pertaining to the industry as well as local media.

Physical Features or Traditions that Define the Business

Location(s) associated with the business:

- 2095 Jerrold Avenue, #212

Recommended by Applicant

- Large warehouses

Additional Recommended by Staff

- Large open space (Marshalling Yard)
- Wide variety of vendors
- Night time operation
- Affordable spaces to incubate new and small vendors



SAN FRANCISCO PLANNING DEPARTMENT

Historic Preservation Commission Draft Resolution No. XXX

HEARING DATE: JANUARY 17, 2018

Filing Date: December 18, 2017
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Business Name: San Francisco Market Corporation
Business Address: 2095 Jerrold Avenue, #212
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tim.frye@sfgov.org

1650 Mission St.
Suite 400
San Francisco,
CA 94103-2479

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

ADOPTING FINDINGS RECOMMENDING TO THE SMALL BUSINESS COMMISSION APPROVAL OF THE LEGACY BUSINESS REGISTRY NOMINATION FOR SAN FRANCISCO MARKET CORPORATION, CURRENTLY LOCATED AT 2095 JERROLD AVENUE, #212, (BLOCK/LOT 5284A/004).

WHEREAS, in accordance with Administrative Code Section 2A.242, the Office of Small Business maintains a registry of Legacy Businesses in San Francisco (the "Registry") to recognize that longstanding, community-serving businesses can be valuable cultural assets of the City and to be a tool for providing educational and promotional assistance to Legacy Businesses to encourage their continued viability and success; and

WHEREAS, the subject business has operated in San Francisco for 30 or more years, with no break in San Francisco operations exceeding two years; and

WHEREAS, the subject business has contributed to the Bayview neighborhood and City's history and identity; and

WHEREAS, the subject business is committed to maintaining the traditions that define the business; and

WHEREAS, at a duly noticed public hearing held on January 17, 2018, the Historic Preservation Commission reviewed documents, correspondence and heard oral testimony on the Legacy Business Registry nomination.

THEREFORE BE IT RESOLVED that the **Historic Preservation Commission hereby recommends** that the San Francisco Market Corporation qualifies for the Legacy Business Registry under Administrative Code Section 2A.242(b)(2) as it has operated for 30 or more years and has continued to contribute to the community.

BE IT FURTHER RESOLVED that the **Historic Preservation Commission hereby recommends** safeguarding of the below listed physical features and traditions for the San Francisco Market Corporation.

Location (if applicable)

- 2095 Jerrold Avenue, #212

Physical Features or Traditions that Define the Business

- Large warehouses
- Large open space (Marshalling Yard)
- Wide variety of vendors
- Night time operation
- Affordable spaces to incubate new and small vendors

BE IT FURTHER RESOLVED that the **Historic Preservation Commission's findings and recommendations** are made solely for the purpose of evaluating the subject business's eligibility for the Legacy Business Registry, and the Historic Preservation Commission makes no finding that the subject property or any of its features constitutes a historical resource pursuant to CEQA Guidelines Section 15064.5(a).

BE IT FURTHER RESOLVED that the **Historic Preservation Commission hereby directs** its Commission Secretary to transmit this Resolution and other pertinent materials in the case file 2017-016398LBR to the Office of Small Business.

I hereby certify that the foregoing Resolution was ADOPTED by the Historic Preservation Commission on January 18, 2018.

Jonas P. Ionin
Commission Secretary

AYES:

NOES:

ABSENT:

ADOPTED: