



**ASSESSMENT OF  
POTENTIAL COMPETITIVE EFFECTS OF  
AN EXPANDED SAFEWAY AT  
COLLEGE AND CLAREMONT IN OAKLAND**

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*August 2011*

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# **ASSESSMENT OF POTENTIAL COMPETITIVE EFFECTS OF AN EXPANDED SAFEWAY AT COLLEGE AND CLAREMONT AVENUES IN OAKLAND**

## **PURPOSE AND APPROACH**

This retail analysis addresses concerns raised that an expanded Safeway grocery store at College and Claremont Avenues in Oakland would add competition for nearby merchants and adversely affect business activity in the vicinity. The retail analysis considers if and how the proposed Safeway expansion project could affect the competitive position of nearby merchants in Rockridge, focusing on the specialty food and related merchants surrounding the Safeway store.

The approach included consideration of the following:

- The market context of the successful Rockridge Commercial District;
- The types of merchants located in the vicinity of Safeway and the market niches they serve;
- Anticipated effects of the Safeway expansion on retail sales and spending patterns for grocery store purchases, and the potential for competitive effects on nearby merchants; and
- Relevant experience from other neighborhood commercial districts and other grocery store developments.

This analysis was done by Hausrath Economics Group (HEG), an urban economics firm that has done numerous economic analyses in Oakland over many years, including retail analyses and strategies for the city's neighborhood commercial districts. HEG was hired by Safeway to assess the potential competitive effects of an expanded Safeway in Rockridge because of the firm's strong local knowledge and experience.

## **SUMMARY OF CONCLUSIONS**

The Rockridge Commercial District in which Safeway is located is one of the most successful shopping areas in Oakland. It is a well-established shopping district with a strong reputation and loyal customers for eating and drinking, comparison goods shopping, specialty foods and grocery shopping, and local services. Safeway is both an anchor tenant, attracting shoppers to the College and Claremont area, and a supporting tenant, serving customers who are attracted to the district by the small specialty stores and other merchants nearby. There are 63 establishments located at the northern end of the Rockridge District, in ground-floor space on the blocks along College and Claremont in the vicinity of the Safeway store. There are specialty food and related stores clustered around Safeway, combining the more standard fare of grocery store items offered at Safeway with the more specialized, high-quality foods that appeal to the gourmet tastes of residents in this part of Berkeley and Oakland.

The proposed Safeway expansion would provide a larger, modern store offering greater selection, an improved in-store shopping experience, and a building design that adds pedestrian activity along College Avenue. The expanded range of products offered would continue to reflect the mid-market orientation of the Safeway grocery chain. The proposal is an effort by Safeway to keep up with retailing trends towards larger stores and with the competition, so as to retain its market position in the Oakland/Berkeley area.

Compared to the existing, suburban style store constructed in the 1960s, a larger, modern Safeway surrounded by existing specialty merchants that are themselves attractions, is anticipated to attract more shoppers and to encourage shoppers to spend more per visit. Greater sales at the new Safeway would be supported by: (a) people spending more in total for grocery store purchases because of the expanded selection and improved shopping environment available in a new grocery store located near to where they live; and (b) people spending more at the new Safeway and less at other grocery stores, including (i) the recapture of sales now going outside the local Oakland/Berkeley area to grocery stores and big box stores in nearby cities, and (ii) shifts in spending patterns, by current shoppers who would spend more at the new store and by area residents who would be newly attracted to the College/Claremont Safeway. Analysis of trade area spending indicates that the expanded Safeway would likely capture only a small share of trade area spending now going to other areas.

Greater sales and more shoppers attracted to the new Safeway also would mean more people who shop at the small stores nearby as well as at the new Safeway. The improvements to Safeway and the Safeway block would enhance the overall retail attraction of the northern end of Rockridge and result in more shoppers, greater business activity, and more sales throughout the shopping district.

Thus, more shoppers and greater business activity and sales would benefit all of the different types of retailers in the area. Although concerns have been expressed about the impacts on small convenience goods retailers in particular, this study found that there are differences in market niches that would make the expanded Safeway more complementary than competitive with the specialty foods and related stores nearby. In addition, the expanded Safeway, by attracting more local shoppers and spending to the area, would also complement and benefit the other types of retailers in the area, including the comparison goods stores, eating and drinking places, and service businesses, that together represent 80 percent of nearby business establishments.

There would be benefits for nearby convenience goods retailers that provide specialized products and individualized service tailored to their customers, most of whom are regulars. The mid-market orientation of Safeway does not compete at the same level of quality and service provided by the small, specialty stores. In a few cases, where there already is some overlap of products with Safeway, there would still be the opportunity for small merchants to provide products not offered at Safeway and to also provide a convenient, quick shopping option for customers who do not shop at Safeway on that trip.



Overall, the anchor and supporting tenant effects of Safeway and the improvements proposed for the Safeway block would strengthen the core shopping district and make it more attractive to shoppers. As a result, the new, expanded Safeway is not anticipated to compete with the nearby small specialty stores, but rather to strengthen the shopping district overall, and result in greater business activity and sales for all retailers in the area.

Relevant to CEQA analysis of the proposed Safeway expansion, this economic analysis concludes that the project is not anticipated to cause competitive effects that could lead to store closures and consequential long-term vacancies that would result in physical deterioration and urban decay in the Rockridge area.

The report that follows describes the market context and setting for the Safeway proposal, and assesses the potential competitive effects of the proposed expansion. It also summarizes experience elsewhere that supports the conclusions.

## MARKET CONTEXT AND SETTING FOR SAFEWAY EXPANSION<sup>1</sup>

### Safeway is Part of Very Successful Rockridge Commercial District

Safeway is located in the very successful Rockridge Commercial District that extends along College Avenue from approximately Alcatraz Avenue on the north to Broadway on the south. In 2006, the District captured \$101 million in retail sales, more sales than in any other neighborhood commercial district in Oakland (see Table 1). Retail sales in Rockridge also exceeded those in 52 other retail areas/nodes in Oakland, including Downtown Oakland.<sup>2</sup>

TABLE 1 RETAILING IN OAKLAND NEIGHBORHOOD COMMERCIAL DISTRICTS		
District	2006 Total Retail Sales (mil. \$)	No. Establishments Reporting
<b>Rockridge</b>	<b>\$101.1</b>	<b>140</b>
Montclair	84.8	88
Piedmont Avenue	71.8	143
Upper Grand Avenue/Grand Lake	43.3	73
Lakeshore Avenue	29.7	74

Source: *Oakland Retail Enhancement Strategy, Existing Retail Performance*, Conley Consulting Group, March 2008.

<sup>1</sup> In addition to sources cited, the analysis draws from earlier Hausrath Economics Group work for the City of Oakland CEDA that included analysis of seven neighborhood commercial districts (NCDs) in Oakland including Rockridge, and development of retail strategies for the Lakeshore Avenue and Upper Grand Avenue NCDs.

<sup>2</sup> Oakland Community Economic Development Agency, *Oakland Retail Enhancement Strategy, Existing Retail Performance*, prepared by Conley Consulting Group and subconsultants, March 2008.

Rockridge is known for its popular **restaurants and eating/drinking** places, that generate over 40 percent of the area’s retail sales. Rockridge also has a unique collection of shops and stores that offer a wide range of goods categorized as **comparison goods shopping**, including apparel, shoes, accessories, furniture, toys, gifts, books, jewelry, art, bicycles, and other goods. Those stores attract the highest sales for comparison goods shopping of all of Oakland’s neighborhood commercial districts. Rockridge has continuous retail frontage along College Avenue and offers a pleasant pedestrian shopping experience.

**Convenience retailing and grocery shopping** in Rockridge also provide strong customer attractions. The main convenience shopping nodes include the Safeway and small specialty food stores located at the northern end of the District, and a Trader Joe’s, the European-style Market Hall food market, and other specialty food shops in the central area around the BART station. In Rockridge, there is emphasis on the sale of fresh, high-quality, specialty foods that appeal to the “gourmet” tastes of residents of this part of Oakland and Berkeley, often referred to as “foodies”.

Rockridge also includes a number of **service businesses**, that supplement the retail stores and shops, and also bring people into the District. Examples include businesses that offer hair styling and cuts, dry cleaning and laundry services, beauty and body treatments/care, optometry, dog grooming, photo finishing and printing, picture framing, and mailing/shipping services. There also are professional offices on the upper floors of some of the buildings in the area.

In terms of numbers of businesses, the Rockridge District Association currently lists 261 merchants on their directory, including the retailers, service businesses, and professional offices.<sup>3</sup> Oakland’s retail sales data identifies 140 retail establishments reporting taxable retail sales in Rockridge in 2006 (see Table 1). (The offices and service businesses typically do not generate taxable sales.)

Overall, the Rockridge District has a strong, positive reputation and draws customers from a large area including the north/central parts of Oakland and the south side of Berkeley, including the U.C. Berkeley student community. The neighborhoods it serves have higher than average household incomes for Oakland and Berkeley.<sup>4</sup>



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<sup>3</sup> Rockridge District Association, Merchant Directory, June 2011.

<sup>4</sup> Based on Hausrath Economics Group’s years of analysis in Oakland and working knowledge of the area, and *Oakland Retail Enhancement Strategy, Existing Retail Performance* (see footnote 2).

When considering the competitive effects of an expanded Safeway grocery store in Rockridge, it is important to remember that the Rockridge Commercial District is already a well-established shopping area with a strong reputation and loyal customer base. Shoppers are attracted to the District for specialty food, grocery, and other convenience goods shopping in which Safeway plays a role, as well as for eating and drinking, comparison goods shopping, and a wide range of local services.

**Safeway is Both an Anchor Tenant and a Supporting Tenant in the Rockridge District**

Safeway is an anchor tenant in the Rockridge District, attracting shoppers who come regularly for food and other grocery store shopping. While in the area, Safeway shoppers also patronize other stores and services nearby. Safeway’s parking lot serves as a central parking place for shopping in the area, contributing to the district’s success.

Safeway also serves customers who are attracted to the area by the small specialty stores and the combination of shopping options available in the area, including the Safeway. The range of retail and service businesses in the area makes the district a strong attraction to shoppers. The Safeway grocery store, offering the more standard fare of grocery items (food, drinks, and a range of household and paper products), is surrounded by specialty food stores that broaden the convenience shopping options available, and by other retailers, eating places, and local services that further expand the range of goods and services offered in the area. Shoppers attracted primarily by other merchants also frequent the Safeway as well as the other way around.

The other, active neighborhood commercial districts in north/central Oakland also have grocery store anchors that attract shoppers to those areas (see Table 2). The role and importance of grocery stores in neighborhood commercial districts was highlighted when several Lucky/Albertson stores recently closed in Oakland, including the stores on Lakeshore Avenue and College Avenue. District merchants noticed a decline in foot traffic and business in the vicinity after the store closures. Business activity increased in the areas once the vacant stores were occupied again, by a Trader Joe’s and Walgreen’s on Lakeshore Avenue and by a Trader Joe’s and Pharmaca on College Avenue.<sup>5</sup>

District	Grocery Store(s)
Rockridge	Safeway, Trader Joe’s
Montclair	Lucky, Safeway
Piedmont Avenue	Piedmont Grocery
Upper Grand/Grand Lake	Safeway
Lakeshore Avenue	Trader Joe’s

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<sup>5</sup> See last section of the report that addresses relevant experience in neighborhood commercial districts in Oakland, including the examples of Lucky/Albertson/Trader Joe’s grocery stores.

**There is a Mix of Retailing at the Northern End of Rockridge, with Convenience Shopping Clustered Around Safeway**

An inventory of ground-floor establishments at the northern end of the Rockridge District identifies 63 establishments located in the blocks along College and Claremont Avenues in the vicinity of Safeway (between just above Alcatraz Avenue on the north and Harwood Avenue on the south). Those businesses offer a mix of types of retail shopping and local services. The **convenience goods retailers** (13 businesses) include the Safeway grocery store, specialty food and related shops (French bakery, meat and seafood market, produce market, wine merchant, wine/liquor store, flower merchant/florist, ice cream shop), a pharmacy, and coffee/tea houses and a bagel shop for eating/drinking on-site as well as purchases. There also are **comparison goods stores** (14 businesses offering clothing, accessories, shoes, furniture, bedding, rugs, candy, gifts, and bicycles), **eating and drinking establishments** (11 businesses including restaurants, a café, a pizza place, a diner, and a bar), and **local services** (22 businesses including hair salons, body care salons, dry cleaners, photo services, picture framing, mailing/shipping services, and banks). In addition, the area includes a gas station, church, and the Alameda County Blood Bank. The detailed business inventory is presented in Tables A-1, A-2, and A-3 at the end of this report and summarized in Table 3 below.

<b>TABLE 3 MIX OF RETAILING AT NORTHERN END OF ROCKRIDGE COMMERCIAL DISTRICT</b>		
Type of Retailing	Number of Establishments	Percent
<b>Convenience Goods Stores</b>	13	21%
Grocery Store	1	
Specialty Foods and Related	8	
Coffee, Tea, Bagels	4	
<b>Eating and Drinking Places</b>	11	17%
<b>Comparison Goods Shopping /a/</b>	14	22%
<b>Services /b/</b>	22	35%
Auto-related	1	2%
Other	<u>2</u>	<u>3%</u>
<b>Total</b>	63	100%
<p>NOTE: Based on a field inventory of ground-floor space along College and Claremont Avenues in the vicinity of Safeway. Includes blocks in Berkeley and Oakland, extending from just above Alcatraz Avenue on the north to Harwood Avenue on the south. The business inventory is presented in Tables A-1, A-2, and A-3 at the end of this report.</p> <p>/a/ Includes stores selling apparel, shoes, accessories, furniture, toys, gifts, art, bicycles, and other goods.</p> <p>/b/ Includes businesses offering hair styling and cuts, dry cleaning, beauty and body treatment/care, photo finishing, mailing and shipping, and other services.</p>		
<p>Source: Hausrath Economics Group, June 2011.</p>		

The location pattern of businesses in the northern end is noteworthy, and shows that the small, convenience goods retailers are clustered around the Safeway grocery store, with many located immediately across College Avenue (see inventory in Table A-1 showing businesses ordered geographically from north to south, and the map of existing businesses by type in Figure A-1, both in the Appendix). The location pattern indicates that the small convenience retailers benefit from proximity to the grocery store and proximity to each other. Safeway was already located at College and Claremont when nearly all of the small retailers located there. Several of the specialty food stores across from Safeway have been in the area for a long time.

The mix of specialty food retailers and the Safeway grocery store broadens the range of choices for food shopping in the area, expanding the standard products offered at Safeway to include more specialized, high-quality foods that are particularly attractive to the gourmet tastes of residents in surrounding areas of Berkeley and Oakland.



Location patterns for other types of retailing at the northern end show:

- Eating and drinking uses located throughout the area;
- Comparison goods retailers concentrated in blocks along College Avenue just south of Claremont with comparison goods stores across from Safeway as well; and
- Local services concentrated in the triangle blocks near the crossing of College and Claremont Avenues and at the northernmost end of the District.

## **ASSESSMENT OF POTENTIAL COMPETITIVE EFFECTS OF PROPOSED SAFEWAY EXPANSION**

The following sections: (a) summarize relevant aspects of the proposed Safeway expansion, (b) address the anticipated effects on retail sales and spending patterns for grocery store purchases, and (c) assess the potential for competitive effects on nearby merchants.

### **Proposal for Safeway Expansion**

#### **A Larger, Modern Store**

Safeway proposes to rebuild its older, approximately 25,000-square-foot store at College and Claremont Avenues, replacing it with a more modern and expanded store with 51,500 square feet. The proposal is an effort by Safeway to keep up with retailing trends towards larger stores and with the competition, so as to retain its market position in the Oakland/Berkeley area in the future. Today, new, modern, full-line grocery stores are larger than existing older stores in the Oakland/Berkeley area. As examples, recent new grocery stores built in Oakland include the new Lucky store on East 18<sup>th</sup> Street near Lake Merritt at 55,000 square feet, and the new Whole Foods store near downtown at Harrison St. and Bay Place at 58,600 square feet.<sup>6</sup> The chart in Table A-4 in the Appendix provides more detail on the types and sizes of grocery and food stores serving the Oakland/Berkeley Area, putting the proposed Safeway expansion into the larger retail market context.

#### **Expanded Grocery Store to Offer More Selection, New and Expanded Departments, and an Improved Shopping Experience**

Compared to the existing Safeway, the new, larger store would offer more selection and choices (of brands, package sizes, and products) with more shelf space throughout. The new store also would include some new and expanded departments, including:

- a bakery department (new);
- a pharmacy (the Chimes Pharmacy now across the street is to move into the Safeway);
- a serviced meat and seafood department (replacing the pre-packaged meat/seafood counters);
- a larger deli (expanded);
- a larger produce department (expanded); and
- a larger floral department (expanded).

The expanded store would provide more choices under one roof. The more spacious, new building also would improve the grocery shopping experience (wider aisles, new fixtures, improved finishes and lighting, etc.) over that offered in the smaller, older Safeway store.

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<sup>6</sup> The two new Trader Joe's stores in Oakland are smaller, specialty grocery stores that do not include the full range of products sold at full-line grocery stores like Safeway.

### **Building Design That Adds Activity Along College Avenue**

The new Safeway store is proposed to be located on the second level above small tenant commercial spaces along College Avenue. Space for approximately eight small tenants in 10,500 square feet is proposed. For the rest of the site, the new grocery store would be above the ground level. A triangular-shaped building would be added at the corner of College and Claremont for a restaurant use and a publicly-accessible rooftop garden.



### **Proposal Would Be Attractive to Shoppers from Nearby Areas**

The proposal for a new, expanded Safeway in Rockridge would be attractive to shoppers from nearby areas. Consumers in this part of Oakland and Berkeley have not had a larger, modern grocery store located near to where they live. While many residents shop in specialty food stores, nearly all also shop in grocery stores. Many shop in newer, larger grocery stores outside the local area and in other communities. Some go to several grocery stores for different items. The proposed project would expand the *local grocery shopping* options.

### **Anticipated Effects of Safeway Expansion on Retail Sales and Spending Patterns**

#### **Greater Sales and More Shoppers at the New Safeway Store**

Compared to the existing Safeway, a larger, modern Safeway store is anticipated to capture higher sales. The higher store sales would reflect two factors:

- Shoppers spending more per visit; and
- More shoppers attracted to the store.

Both effects would reflect the greater selection and range of choices available at the new store, and the improved shopping environment it would offer. *The effects also would reflect the combined attraction of an improved Safeway store located in the already desirable Rockridge shopping district and surrounded by small merchants that are themselves attractions for shoppers and diners.*

#### **Changes in Spending Patterns for Grocery Store Purchases**

Higher sales at the new Safeway would be supported by changes in spending patterns for grocery store purchases. Two types of changes are anticipated, the second being the most significant in terms of the dollars involved.

- ◆ ***People would spend more in total for grocery store purchases because of the expanded and improved choices available in the new store.*** Consumers in Oakland and Berkeley have not had the range of choices offered in a modern, large grocery store located near to where they live. The older urban mid-price, full-line grocery

stores are small with limited choices and do not offer an attractive shopping environment.

- ◆ ***People would spend more at the new Safeway and less at other grocery stores.*** The new Safeway would attract spending that would have gone to other, now less desirable grocery shopping options.
  - *Other Grocery Stores (up to about 65,000 square feet).* Some shoppers would find the new Safeway to be a more attractive option (more selection and better shopping environment) than other grocery stores.
    - (a) The new Safeway would recapture sales now going outside the Oakland/Berkeley area to grocery stores in nearby cities, such as the larger Safeways in Orinda and Alameda. Safeway’s customer data show shoppers from the Oakland/Berkeley hills who reside within two miles of the College and Claremont Safeway shopping at the newer, larger Safeways in Orinda, Alameda, and Moraga.
    - (b) The new Safeway would also result in other shifts in spending patterns. Current shoppers at Safeway would spend more at the new store and less at other grocery stores in surrounding areas, and more area residents would be attracted to shop at the new Safeway instead of other grocery stores.
  - *Big-Box Stores (typically 100,000 to 200,000 square feet for groceries and other goods) and Bulk/Warehouse Food Stores (typically 50,000 to 80,000 square feet).* Some shoppers would reduce trips to big-box stores such as Costco and Target, or to warehouse stores such as Pak N Save, because of the larger selection available at the new Safeway, located closer to home. For Oakland and Berkeley residents, shopping at the big-box stores requires periodic trips outside the local area to neighboring jurisdictions.
- ◆ ***There are not expected to be shifts in spending from the small specialty food and related stores in Rockridge.*** There are differences in market niches that would make the expanded Safeway more complementary than competitive with the small specialty stores nearby. This issue is discussed further in the next section of the report.

### **Safeway Store Sales Represent a Small Share of Total Grocery/Food Spending**

Estimates of total grocery/food store expenditures (demand) by trade area residents indicate that the College Avenue Safeway currently captures a small share of total spending, in the range of five percent to ten percent at the maximum, depending on the trade area definition (see Table 4). Some spending also goes to specialty food stores nearby and elsewhere in Oakland and Berkeley. A large amount of spending goes to other grocery stores and big box/warehouse stores, most outside the immediate area. Some spending also is done near the residents’ places of work.

A new Safeway that expands shopping options would likely capture only a small share of trade area spending now going to other areas. For example, if sales were to nearly double with the new store consistent with the additional space, additional sales in the range of up to five to ten percent of total

spending from the relevant trade areas would be likely. As described above, greater sales at the new Safeway would be supported by: (a) people spending more in total for grocery store purchases because of the improved choices located near to where they live; and (b) people spending more at the new Safeway and less at other grocery stores, including (i) the recapture of sales now going outside the local area to grocery stores and big box stores in nearby cities (these sales could be the first to shift), and (ii) shifts in spending patterns, by current shoppers who would spend more at the new store and by area residents who would be newly attracted to the College/Claremont Safeway. The relatively small share of total spending likely to shift to support the proposed project indicates that spending patterns could change without affecting the spending in nearby small, specialty food stores that serve a different market niche than Safeway (as discussed further below).

**TABLE 4  
SAFeway STORE SALES AS SHARE OF TOTAL GROCERY/FOOD  
STORE SPENDING BY TRADE AREA RESIDENTS**

<b><u>College Ave. Safeway Market Share</u></b>		
	<b><u>Surrounding Trade Area</u> /e/</b>	<b><u>Rockridge: 3 mile Radius</u> /f/</b>
Population /a/	114,860	216,620
Grocery/Food Store Demand (annual) /b/	\$234,312,400	\$441,904,000
College Ave. Store Sales (annual) /c/	\$25,198,000	\$25,198,000
<b><i>Percent of Expenditures</i> /d/</b>	<b><i>up to 10.8%</i></b>	<b><i>up to 5.7%</i></b>
NOTE: A range of estimates is shown for market share captured, assuming smaller and larger trade area boundaries.		
/a/ Safeway Market Research, 2010-Q4, for surrounding trade area population. Claritas, 2011 projection, prepared for Oakland Retail Enhancement Strategy, Conley Consulting Group, March 2008, for population within 3-mile radius of College and Claremont in Rockridge.		
/b/ Total expenditures estimated based on per capita spending in Food and Beverage Stores, for San Francisco Bay Area counties, 2009. State Board of Equalization taxable sales were converted to total sales/spending assuming 29 percent taxable, consistent with analysis in Oakland Retail Enhancement Strategy, March 2008.		
/c/ Safeway, 2011. The sales data reflect total store sales, including sales to trade area residents and sales to people residing outside the defined areas, including people who work nearby.		
/d/ The market shares identified are maximums; the actual shares are lower than those calculated. The percentage shares shown are calculated using <i>total</i> store sales. If sales made by people residing outside the defined trade areas were excluded, the market shares of trade area spending captured would be lower than shown.		
/e/ Area with greatest concentration of sales at the College Avenue Safeway, approximately defined by: Bancroft Way along U.C. campus and Dwight Way below campus on the north; the Hills and Hwy. 13 on the east; Moraga and Oakland Avenues and I-580 on the south/southwest; and I-80 on the west.		
/f/ Claritas, 2007/2008 for Oakland Retail Enhancement Strategy analysis.		
Source: Hausrath Economics Group		

### **More Shoppers and Greater Sales at Northern End of Rockridge**

More shoppers attracted to the new Safeway also would mean more people who shop, eat, and drink nearby. Further, the addition of small shops along College Avenue on the Safeway property would enhance the pedestrian environment there, increase the number of smaller merchants, and further expand the choices of goods and services available in the area. In combination, the improvements to Safeway and the Safeway block would enhance the overall retail attraction of the northern end of Rockridge and result in more shoppers, greater business activity, and more sales in the area.



### **Potential for Competitive Effects With Nearby Merchants**

While, concerns have been expressed that increased sales at an expanded Safeway would add competition for nearby, small merchants and adversely affect business activity and sales in the vicinity, retail analysis of the proposal and of the surrounding Rockridge District indicates that such adverse effects are not anticipated. Instead, as discussed above, the proposal would enhance the competitive position of the northern end of Rockridge, attract more shoppers, and result in greater business activity and retail sales. The following explains the findings, considering the benefits overall and potential effects for different types of retailers.

### **Benefits For Nearby Merchants from Attracting More Shoppers to the Area.**

An expanded and improved Safeway would be beneficial to nearby merchants by attracting more shoppers to the area, some of whom would shop and dine nearby as well as shop at the new Safeway. The enhanced market attraction of the area would occur in two ways.

- ◆ ***Improved Overall Attraction of the Area for Customers Shopping Primarily At Specialty Stores.***

People shopping at the north end of Rockridge include many who come primarily for the small, specialty stores and services in that area. They include many households in Berkeley and Oakland who regularly shop at the small, specialty food stores. Many of these customers also shop at Safeway while in the area, typically for the more standard grocery store items (other foods, drinks, and a range of household and paper products). That pattern would continue with the expanded Safeway. In addition, an improved Safeway that is more desirable relative to other grocery stores and whose development enhances the attractiveness and pedestrian environment of the area, would improve the overall attraction of the area for both specialty and grocery shopping. *The result would be more shoppers in the area and more dollars spent in both the small stores and in Safeway.*

◆ ***Improved Grocery Store for Customers Attracted Primarily By Safeway.***

There also are customers who are attracted to the area primarily for grocery store shopping at Safeway. They include shoppers who prefer the pricing and selections of mid-level grocery stores. Many of these customers also patronize the small stores, service businesses, and eating and drinking places in the area. The expanded Safeway would attract more of these customers, many of whom would shop and dine nearby when in the area.

**Consideration of Beneficial Effects for Different Types of Retailers**

More shoppers and greater business activity and sales would benefit all of the different types of retailers in the area. Although there has been concern about the impact upon convenience goods retailers, in particular, this study found that there are differences in market niches that would make the expanded Safeway more complementary than competitive with the specialty foods and related stores nearby. In addition, the expanded Safeway, by attracting more local shoppers and spending to the area, would also complement and benefit the other types of retailers in the area, including the comparison goods retailers, eating and drinking places, and service businesses whose goods and services differ from those offered at Safeway.

◆ ***Benefits for Comparison Goods Retailers, Eating and Drinking Places, and Service Businesses.***

Of the 62 small merchants located in the immediate area around Safeway, 50, or about 80 percent, are comparison goods stores, eating and drinking places, and service businesses. The goods and services offered by these merchants complement, and do not overlap with those offered at Safeway. The expanded and improved Safeway would be beneficial by attracting more shoppers to the area, some of whom would shop and dine in these nearby establishments.



◆ ***Benefits for Convenience Goods Retailers Nearby Who Offer Specialized Products and Individualized Service.***

The concerns about competitive effects have focused on the group of small, convenience goods retailers clustered around the Safeway (12 of the 62 smaller stores, about 20 percent). There are differences in market niches between these small stores and the Safeway, however, that make them much more complementary than competitive with the more standard fare offered at Safeway. The small shops offer:

- More specialized foods, wines, and coffees, often of very high quality and individually selected or prepared in-house; and

- More individualized service to shoppers, including explanations, recommendations, and personal selections.

The specialty merchants have loyal customers who have shopped there for many years. They operate at a much smaller scale than the Safeway, and are able to be more specialized and personalized in what they offer and how they sell it. That will continue to be the case with the new Safeway as well.

Because of the differences in market niche, the mid-market orientation of Safeway does not compete at the same level of quality or service provided by the small specialty stores. Thus, for the most part, the expanded Safeway is not anticipated to add competition and adversely affect the small, specialty food and related stores nearby. Their attraction for shoppers would continue and would be strengthened by the new Safeway development. In addition, the small convenience goods retailers would benefit from the additional shoppers attracted to the area, some of whom would shop in the small stores.

An evaluation was done to consider potential competitive effects for the different types of convenience goods merchants in the area. The evaluation is summarized in Table 5 and in the text below. The four items below relate to each of the four groups of small convenience goods retailers identified in Table 5.

- An expanded Safeway is not anticipated to provide the same types and quality of goods and the same level of service as most of the small, specialty stores nearby. Most offer unique products and services tailored to their customers, most of whom are regulars. Examples include the French bakery, specialty butcher, wine merchant, and organic ice cream store among others. As described earlier, the specialty stores in this area are themselves the primary attractors of many shoppers because of the unique products and services they offer. That attraction would not be replaced by an expanded Safeway. It could be improved by the new Safeway nearby.



- In a few cases, there already is some overlap of products between Safeway and small convenience goods merchants nearby. These merchants offer some specialized products as well as convenient, quick shopping for customers seeking selected items (such as wine and spirits or produce and limited dairy products). These stores also serve people shopping in the other small stores nearby who do not go to Safeway on that trip. While some people shopping at the new Safeway might be more encouraged to make purchases of goods

**TABLE 5**  
**EVALUATION OF POTENTIAL COMPETITIVE EFFECTS OF EXPANDED SAFEWAY ON SMALL RETAILERS NEARBY**

Comments About Competitive Effects of Expanded Safeway	Types of Stores Nearby	No. Nearby	Market Niche
<b><u>Convenience Goods Retailers</u></b>			
◆ Safeway not anticipated to provide the same types or quality of goods nor the same level of service	<ul style="list-style-type: none"> <li>• French Bakery</li> <li>• Organic Ice Cream Store</li> <li>• Meat and Seafood Store/Specialty Butcher</li> <li>• Wine Merchant</li> <li>• Flower Shop/Florist</li> </ul>	<p>1</p> <p>1</p> <p>1</p> <p>1</p> <p>1</p>	<p>Very Specialized; unique</p> <p>Very Specialized; unique</p> <p>Specialized - high-quality foods and service</p> <p>Specialized - high-quality wines and service</p> <p>Specialized - individual flowers and bouquets</p>
◆ Already some overlap of offerings with Safeway. Small merchants will continue to offer convenient/quick shopping and some specialized products.	<ul style="list-style-type: none"> <li>• Produce Market</li> <li>• Wine and Spirits Store</li> </ul>	<p>1</p> <p>1</p>	<p>Offers convenience and specialized products</p> <p>Offers convenience and specialized products</p>
◆ Anticipated to locate in the new Safeway	<ul style="list-style-type: none"> <li>• Pharmacy</li> </ul>	<p>1</p>	<p>Established relationships and personal service</p>
◆ Safeway not anticipated to provide same types of café settings for drinking and light eating. Coffee/tea and bagels in small shops will continue to be preferred over Safeway's selection.	<ul style="list-style-type: none"> <li>• Coffee House/Café</li> <li>• Tea Shop/Café</li> <li>• Bagel Store/Café</li> </ul>	<p>2</p> <p>1</p> <p>1</p>	<p>Specialty coffee in café environment</p> <p>Specialty tea in café environment</p> <p>Bagel store and lunch place</p>
<b><u>Comparison Goods Shopping, Eating and Drinking, and Local Services</u></b>			
◆ Safeway not anticipated to provide same types of goods and services	<ul style="list-style-type: none"> <li>• <b>Comparison Goods Retailers</b> (clothing, accessories, shoes, furniture, bedding, rugs, gifts, bicycles, etc.)</li> <li>• <b>Eating and Drinking Establishments</b> (restaurants, diner, bar, cafés, eating places)</li> <li>• <b>Services</b> (hair salons, dry cleaners, photo services, picture framing, mailing/shipping, etc.)</li> </ul>	<p>14</p> <p>11</p> <p>23</p>	

also offered by these nearby merchants, other customers doing “quick-stop” shopping in the area or those shopping primarily in the specialty stores would not be affected. As has occurred in other situations, the Safeway expansion could encourage these merchants to further differentiate their products from those offered at Safeway.

- The Safeway is not anticipated to compete directly with the coffee/tea stores/café or with the bagel store/café. It would not provide the same café settings for drinking, light eating, and people-watching, and the coffee/tea selections in the small shops would continue to be preferred to those offered at Safeway. The addition of a coffee bar within Safeway (staffed by Safeway employees) is not likely to attract people who prefer the small, independent coffee companies and coffee/tea houses/café nearby. It is more likely to serve Safeway shoppers already in the store for other purposes.
- The small pharmacy in the area is anticipated to locate in the new Safeway and to continue established relationships with customers.



### **EXPERIENCE ELSEWHERE: OTHER NEIGHBORHOOD COMMERCIAL DISTRICTS AND OTHER GROCERY STORE DEVELOPMENTS**

Experience elsewhere supports the conclusions regarding the potential competitive effects of the Safeway expansion in Rockridge that are described above.

Research done for this effort did not identify any comparable situations with similar grocery store expansions occurring in a successful neighborhood commercial district like Rockridge, with nearby specialty food stores that are themselves attractions for shoppers. However, experience in other neighborhood commercial districts in Oakland and with other grocery store developments in other cities provides insights that are relevant to the analysis herein. They are summarized below.

### **Other Neighborhood Commercial Districts in Oakland**

Those managing successful, neighborhood commercial districts (NCDs) in Oakland provide input on the factors affecting the success of specific merchants in NCDs, and examples of how changes in anchors have affected local districts.<sup>7</sup>

Interviews with NCD managers identify that the mix of merchants in commercial districts changes over time. They point out that the effects of such changes very much depend on the individual merchants, the products and service they offer, and the loyalty of their customers. They also point out that there can be situations where the district overall, the shoppers/consumers, and nearly all of the merchants benefit from changes in tenants in the district, although there can be an individual merchant or merchants that do not.

◆ ***Ability of Merchants to Succeed Depends Primarily on the Merchants Themselves.***

The success of small stores and specific merchants in NCDs depends primarily on the stores themselves, including:

- The products offered and how well those products match the tastes of market area residents;
- How the store looks from the outside; if it is attractive and well-maintained; and
- The customer services offered.

It can be important for merchants to keep up with changes in tastes, to modernize occasionally, and to respond to customer preferences. When new stores come into an area or existing stores expand, it can be important for existing merchants to maintain quality and be creative about differentiating themselves and offering new products not available nearby.

◆ ***Example of Farmers Markets in Oakland NCDs.***

Instituting the weekly Farmers Markets, as now occur on Saturdays at the Lakeshore/Grand Lake NCDs and on Sundays in Montclair, have been very popular, although not fully endorsed by all merchants in those areas. The Farmers Markets attract large numbers of shoppers each week, particularly on Lakeshore/Grand Lake, and sales in the area have been higher as a result. People attracted to the markets shop in nearby stores and become familiar with the stores and eating places available in the area. While nearly all existing merchants view the Farmers Markets as beneficial, there have been a few concerns that the products offered overlap with those of existing merchants in the area. Those merchants have not attempted or been able to differentiate their products so as to take advantage of the increased foot traffic on weekends, although they remain located in the district.

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<sup>7</sup> Interviews in June 2011 with: (a) Pamela Drake, Lakeshore Avenue Business Improvement District Manager; (b) Roger Vickery, Montclair Village Association Executive Director; and (c) Chris Jackson, Rockridge District Association Manager. Interviews did not include questions about the Safeway proposal for College and Claremont Avenues, but focused on other experience that could be relevant to this analysis. This citation applies to all of the items discussed in this section.

The Farmer's Markets provide examples of anchors that help attract shoppers to NCDs, many from nearby neighborhoods. They are not comparable to Safeway, as they offer a collection of specialty merchants with specialty products. There would be more differentiation in products and service between the expanded Safeway and the specialty food merchants nearby in Rockridge.

◆ ***Examples of Lucky/Albertson/Trader Joe's in Oakland NCDs***

The role and importance of grocery stores as anchors attracting shoppers was highlighted when several Lucky/Albertson stores recently closed in Oakland, including the stores on Lakeshore and College Avenues. For many years, the Lucky grocery stores were popular and brought shoppers to the NCDs. District merchants noticed a decline in foot traffic and area business activity after the store closures.

When the Trader Joe's stores came in, they were popular immediately and have attracted more shoppers to both NCDs. In addition, they have attracted more local residents from nearby neighborhoods, than did the former, older grocery stores. On Lakeshore, Trader Joe's has attracted a different type of shopper, described as more "savvy" and more interested in food. (Lakeshore does not have the range of specialty food stores located in Rockridge.) There have been beneficial impacts for the shopping districts and for nearby merchants. Merchants on College Avenue and most of those on Lakeshore Avenue see the Trader Joe's as beneficial. There are a few merchants on Lakeshore who report that their business has declined as a result of Trader Joe's. Those stores are not strong specialty merchants who have been able to take advantage of the increase in local shoppers in the area.

Trader Joe's is a specialty grocery chain that focuses on selected products. It is not directly comparable to a mid-price, full-line grocery store like Safeway that offers a wide range of foods, drinks, and household, paper, and personal care products. Thus, there would be more differentiation in offerings between an expanded Safeway and the specialty food and related merchants located nearby.

**Impacts of New Whole Foods Stores on Small Grocers**

Although not comparable to the proposed Safeway expansion, the impacts of a new Whole Foods store on small grocers or nearby merchants have been addressed in other Bay Area communities. Comparatively, the introduction of a new Whole Foods store into an area raises more issues of competition and market overlap with smaller, specialty food stores and grocers than does expansion of a mid-market Safeway store already located in the College and Claremont area. The focus of considerations of the impacts of new Whole Foods stores has been on potential impacts for local health food grocery and organic foods stores serving the surrounding market area, and not on small merchants located in the immediate vicinity, as is the case for the proposed Safeway expansion.

Considerations of the competitive impacts of new Whole Foods stores in two San Francisco neighborhoods (on Potrero Hill and in Cole Valley at Haight and Stanyan Streets) and in downtown

Lafayette identify the following effects.<sup>8</sup>

- Long-time local businesses survive the introduction of a new Whole Foods store. Their success continues to depend on the unique products and services they offer, often tailored to their customers, many of whom are regulars.
- In some cases, local businesses experienced a decline in sales for a few months after a new Whole Foods store opened. However, their business came back steadily over time. The merchants felt that people tried out the new store, but returned to the familiarity, convenience, and affordable pricing of local grocers, bakeries, and other merchants.
- The opening of a new Whole Foods store has prompted small merchants to consider strategies for retaining their customers and market niche. There are examples of merchants who sharpened their business model, focusing on quality and more unique products such as locally-grown, organic, and/or gluten-free products, including some not available at Whole Foods.
- Comments by shoppers indicate that some continued their regular shopping at small stores and substituted the new Whole Foods store for Safeway or Lucky for larger, less frequent shopping trips.

Concerns like those raised about new Whole Foods stores have not been focused on other Safeway store expansions in the Bay Area. Safeway offers more standard products that are more complementary to and different from the higher quality products and service of small specialty stores. Further, Safeway has been located throughout the Bay Area, whereas Whole Foods is expanding into new areas. Despite the greater potential for competitive effects from a new Whole Foods Store, the evidence does not show adverse effects. The lack of adverse competitive effects on local specialty grocers supports the conclusions about the potential for competitive effects from the proposed Safeway expansion that are described in this report.



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<sup>8</sup> Articles:

*The Potrero View*, “Whole Foods’ Launch Slows Local Business”, January 2008.

*Cole Valley Alley*, “Here Comes Goliath”, January 2011.

*Lamorinda Weekly*, “What Impact Will Whole Foods Have on Lafayette Businesses?”, June 2010.

**COMPETITIVE EFFECTS OF PROPOSED DEVELOPMENT  
ARE NOT ANTICIPATED TO CAUSE INDIRECT PHYSICAL  
ENVIRONMENTAL IMPACTS**

This report presents the results of economic analysis done to assess the potential competitive effects of an expanded Safeway store at College and Claremont Avenues in Oakland (the project). Although a project's social and economic effects are not considered to be significant environmental effects under CEQA (CEQA Guidelines, Section 15064(e)), those aspects of a project could affect other conditions in an area that are to be evaluated for environmental impacts under CEQA. In that regard, the retail analysis presented in this report is relevant to consideration of the potential for indirect physical effects of the proposed retail development.

As presented in this report, the analysis finds that a larger, modern Safeway at College and Claremont, surrounded by existing specialty merchants who are themselves attractions for shoppers would:

- Strengthen the shopping district, and
- Result in greater business activity and sales for all retailers in the area, the small merchants and Safeway.

Further, the analysis points out that the Rockridge Commercial District in which Safeway is located is one of the most successful shopping districts in Oakland. It is a well-established shopping district with a strong reputation and loyal customer base for comparison goods shopping, eating and drinking, and local services in addition to specialty foods and grocery shopping that includes the Safeway as a major tenant.

The analysis concludes that the project is not anticipated to cause competitive effects that could lead to store closures and consequential long-term vacancies that would result in physical deterioration and urban decay in the Rockridge area. Thus, for all of the reasons described above and throughout this report, it is concluded that the project's economic market effects would not lead to indirect physical environmental impacts.

## **APPENDIX**

TABLE A-1 Business Inventory - Rockridge - Northern End										
Block No.	Address	Establishment	Description	Grocery Store	Convenience Shopping	Comparison Shopping	Retail Type			
							Eating and Drinking	Services	Auto-related	Other
1	2625 Alcatraz	UPS Store	Mailing/Shipping							x
1	2655 Alcatraz	Dryclean Club of America	Dry cleaning							x
1	3190 College	About Face and Body	Day spa; manicures, pedicures, etc.							x
1	3180 College	Siamese Dream	Clothing and accessories			x				
1	3170 College	Noah's Bagels	Take-out food, café, bagel store		x		x			
2	3185 College	College Avenue Wines, Spirits, & Deli	Wine and liquor store with deli		x					
2	3173 College	Tara's Organic Ice Cream	Ice cream store		x					
2	3169 College	FedEx Office	Mailing/Shipping							x
2	3167 College	Lipline	Belly dance fitness							x
3	3201 College	Mitama Restaurant	Japanese rest. - sake bar and small plates					x		
3	3211 College	Flavors of India	Restaurant					x		
3	6310 College	Safeway	Grocery store	x						
4	3202 College	A'Cuppa Tea	Tea shop		x			x		
4	3204 College	Extreme Pizza	Take-out					x		
4	3206 College	Powell's Sweet Shop	Candy with toys & gifts			x				
4	3210 College	Chimes Pharmacy	Drug store		x					
4	6312 College	Body Options	Clothing			x				
4	6323 College	La Farine	French bakery		x					
4	6321 College	Ver Brugge	Specialty butcher - meat & seafood		x					
4	6319 College	Vino!	Wine merchant		x					
4	6317 College	Wood Tavern	Restaurant					x		
4	6311 College	Southie	Café					x		
4	6309 College	Heartware	Gifts			x				
4	6307 College	The Meadows	Flowers/florist		x					
4	6301 College	Yasai Market	Produce market and "corner market"		x					
5	6255 College	Cole Coffee & Café	Coffee/café		x			x		
5	6253 College	Lucero	Hair salon							x
5	6251 College	The Nail Spa	Nail salon							x
5	6245/7 College	Great Wall Chinese Restaurant	Restaurant					x		
5	6239 College	Red Hanger Kleaners	Dry cleaning							x
5	6201 College	Bank of America	Bank							x
6	6200 Claremont	Claremont Diner	Restaurant					x		
6	6202 Claremont	The Graduate	Bar					x		
6	6206 Claremont	Body, Mind, & Spirit Massage Therapy Center	Massages							x
6	6208 Claremont	Claremont Hair Salon	Hair salon							x
6	6210 Claremont	Galaxy Nails	Nail salon							x
6	6212 Claremont	Abby Photo	Photo services							x
6	6230 Claremont	Blood Bank of Alameda County	Blood bank							x
6	6250 Claremont	Franke/Switzer Hair Salon	Hair salon							x
7	6099 Claremont	Noodle Theory	Restaurant					x		
7	6093 Claremont	Genray Hair Salon	Hair salon							x
7	6087 Claremont	Claremont Rug Co.	Oriental rugs			x				
8	6058 College	First Federal Savings & Loan	Bank							x
8	6052 College	Vero For Hair	Hair salon & beauty products							x
8	6050 College	Murasaki Fine Futon Shop	Futons & fine bedding			x				
8	6048 College	Nan Yang Rockridge	Burmese restaurant					x		
8	6046 College	Super Cuts	Hair salon							x
8	6042 College	Hazara Gallery	Oriental rugs			x				
8	6038 College	Boskos Gallery	Picture framing							x
8	6034 College	Ag Photo	Digital image lab							x
8	6030 College	Hank and Frank Bicycles	Bike sales and service			x				
8	6022 College	Berkeley Kids Room	Kids furniture			x				
8	6014 College	Transports	Athletic shoes and clothes			x				
8	6012 College	Shuz of Rockridge	Shoe store			x				
8	6004 College	White Rose	European skin care							x
8	6000 College	Café Zoe	Café					x		
9	6039 College	Shell Station	Gas station							x
9	6025 College	Agatha Rainford Boutique	Apparel and accessories			x				
9	6021 College	Spasso Coffee House	Coffee house		x			x		
9	6019 College	Empty - For Lease								
9	6015 College	Breema Center	Bodywork sessions/health and wellness							x
9	6011 College	Warm Things	Bedding			x				
9	6007 College	Talesman Antiques	Furniture			x				
9	5951 College	Presbyterian Church	Church							x

FIGURE A-1

**EXISTING BUSINESSES BY TYPE - NORTHERN  
END OF ROCKRIDGE**

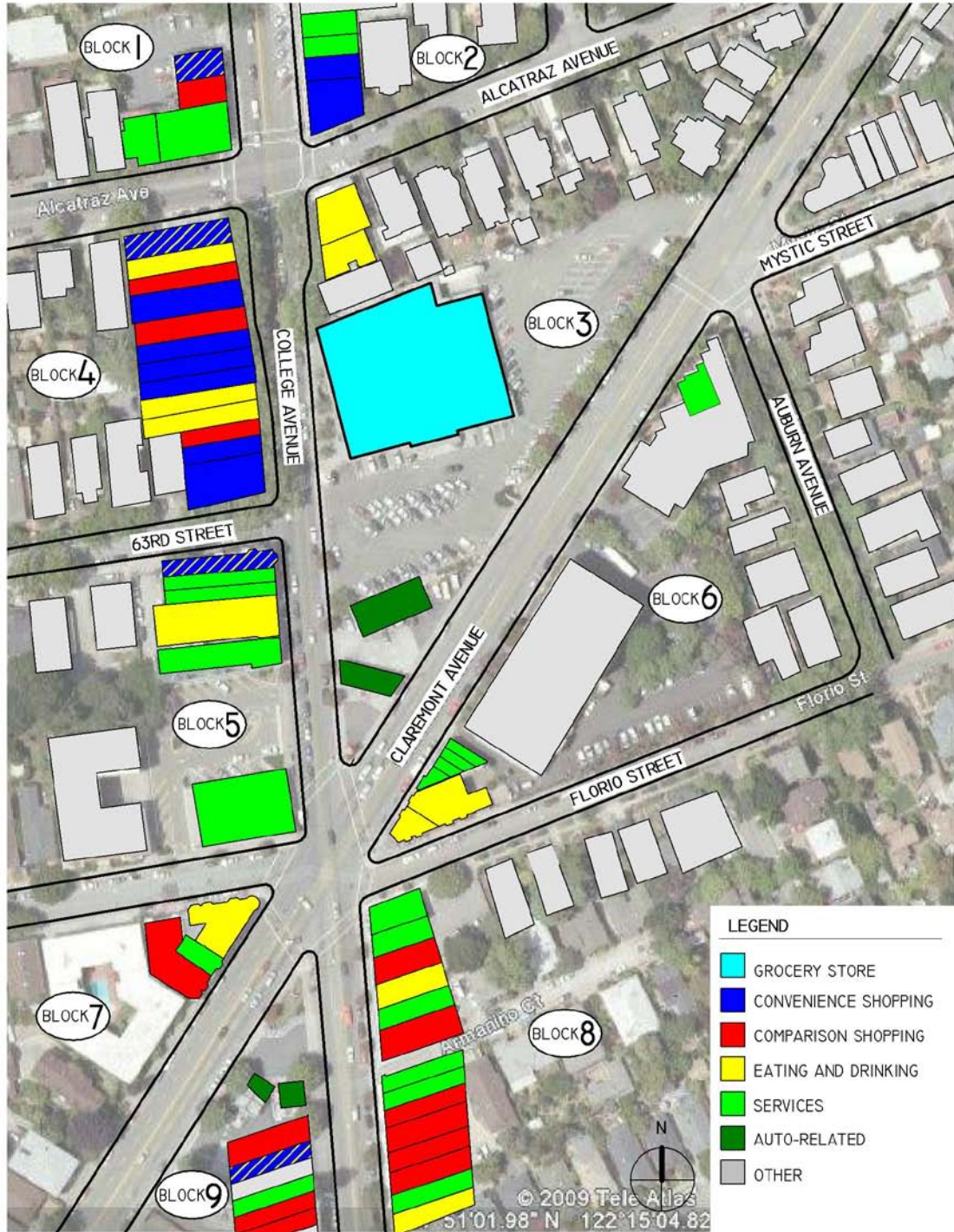


TABLE A-2										
Business Inventory - Rockridge - Northern End - Convenience Stores										
Block No.	Address	Establishment	Description	Retail Type						
				Grocery Store	Convenience Shopping	Comparison Shopping	Eating and Drinking	Services	Auto-related	Other
<b>Supermarkets/Grocery Stores</b>										
3	6310 College	Safeway	Grocery store	x						
# of Stores	1									
<b>Specialty Food Stores</b>										
2	3173 College	Tara's Organic Ice Cream	Ice cream store		x					
4	6323 College	La Farine	French bakery		x					
4	6321 College	Ver Brugge	Specialty butcher - meat & seafood		x					
4	6301 College	Yasai Market	Produce market and "corner market"		x					
# of Stores	4									
<b>Specialty Foods / Eating and Drinking</b>										
1	3170 College	Noah's Bagels	Take-out food, café, bagel store		x		x			
4	3202 College	A'Cuppa Tea	Tea shop		x		x			
5	6255 College	Cole Coffee & Café	Coffee/café		x		x			
9	6021 College	Spasso Coffee House	Coffee house		x		x			
# of Stores	4									
<b>Beer, Wine, and Liquor</b>										
2	3185 College	College Avenue Wines, Spirits, & Deli	Wine and liquor store with deli		x					
4	6319 College	Vino!	Wine store		x					
# of Stores	2									
<b>Pharmacies and Drug Stores</b>										
4	3210 College	Chimes Pharmacy	Drug store		x					
# of Stores	1									
<b>Flower Vendors + Florists</b>										
4	6307 College	The Meadows	Flowers/florist		x					
# of Stores	1									
<b>Total Stores</b>	<b>13</b>									

TABLE A-3

Business Inventory - Rockridge - Northern End - Sorted by Business Type

Block No.	Address	Establishment	Description	Retail Type							
				Grocery Store	Convenience Shopping	Comparison Shopping	Eating and Drinking	Services	Auto-related	Other	
3	6310 College	Safeway	Grocery store	x							
# of Stores	1										
2	3185 College	College Avenue Wines, Spirits, & Deli	Wine and liquor store with deli		x						
2	3173 College	Tara's Organic Ice Cream	Ice cream store		x						
4	3210 College	Chimes Pharmacy	Drug store		x						
4	6323 College	La Farine	French bakery		x						
4	6321 College	Ver Brugge	Specialty butcher - meat & seafood		x						
4	6319 College	Vino!	Wine merchant		x						
4	6307 College	The Meadows	Flowers/florist		x						
4	6301 College	Yasai Market	Produce market and "corner market"		x						
# of Stores	8										
1	3170 College	Noah's Bagels	Take-out food, café, bagel store		x		x				
4	3202 College	A'Cuppa Tea	Tea shop		x		x				
5	6255 College	Cole Coffee & Café	Coffee/café		x		x				
9	6021 College	Spasso Coffee House	Coffee house		x		x				
# of Stores	4										
1	3180 College	Siamese Dream	Clothing and accessories			x					
4	3206 College	Powell's Sweet Shop	Candy with toys & gifts			x					
4	6312 College	Body Options	Clothing			x					
4	6309 College	Heartware	Gifts			x					
7	6087 Claremont	Claremont Rug Co.	Oriental rugs			x					
8	6050 College	Murasaki Fine Futon Shop	Futons & fine bedding			x					
8	6042 College	Hazara Gallery	Oriental rugs			x					
8	6030 College	Hank and Frank Bicycles	Bike sales and service			x					
8	6022 College	Berkeley Kids Room	Kids furniture			x					
8	6014 College	Transports	Athletic shoes and clothes			x					
8	6012 College	Shuz of Rockridge	Shoe store			x					
9	6025 College	Agatha Rainford	Apparel and accessories			x					
9	6011 College	Warm Things	Bedding			x					
9	6007 College	Talesman Antiques	Furniture			x					
# of Stores	14										
3	3201 College	Mitama Restaurant	Japanese rest. - sake bar and small plates				x				
3	3211 College	Flavors of India	Restaurant				x				
4	3204 College	Extreme Pizza	Take-out				x				
4	6317 College	Wood Tavern	Restaurant				x				
4	6311 College	Southie	Café				x				
5	6245/7 College	Great Wall Chinese Restaurant	Restaurant				x				
6	6200 Claremont	Claremont Diner	Restaurant				x				
6	6202 Claremont	The Graduate	Bar				x				
7	6099 Claremont	Noodle Theory	Restaurant				x				
8	6048 College	Nan Yang Rockridge	Burmese restaurant				x				
8	6000 College	Café Zoe	Café				x				
# of Stores	11										

Block No.	Address	Establishment	Description	Retail Type						
				Grocery Store	Convenience Shopping	Comparison Shopping	Eating and Drinking	Services	Auto-related	Other
1	2625 Alcatraz	UPS Store	Mailing/Shipping						x	
2	3169 College	FedEx Office	Mailing/Shipping						x	
2	3167 College	Lipline	Belly dance fitness						x	
5	6201 College	Bank of America	Bank						x	
8	6058 College	First Federal Savings & Loan	Bank						x	
1	2655 Alcatraz	Dryclean Club of America	Dry cleaning						x	
1	3190 College	About Face and Body	Day spa; manicures, pedicures, etc.						x	
5	6253 College	Lucero	Hair salon						x	
5	6251 College	The Nail Spa	Nail salon						x	
5	6239 College	Red Hanger Kleaners	Dry cleaning						x	
6	6206 Claremont	Body, Mind, & Spirit Massage Therapy Center	Massages						x	
6	6208 Claremont	Claremont Hair Salon	Hair salon						x	
6	6210 Claremont	Galaxy Nails	Nail salon						x	
6	6212 Claremont	Abby Photo	Photo services						x	
6	6250 Claremont	Franke/Switzer Hair Salon	Hair salon						x	
7	6093 Claremont	Genray Hair Salon	Hair salon						x	
8	6052 College	Vero For Hair	Hair salon & beauty products						x	
8	6046 College	Super Cuts	Hair salon						x	
8	6038 College	Boskos Gallery	Picture framing						x	
8	6034 College	Ag Photo	Digital image lab						x	
8	6004 College	White Rose	European skin care						x	
9	6015 College	Breema Center	Bodywork sessions/health & wellness						x	
# of Stores	22									
9	6039 College	Shell Station	Gas station							x
# of Stores	1									
6	6230 Claremont	Blood Bank of Alameda County	Blood bank							x
9	5951 College	Presbyterian Church	Church							x
# of Stores	1									
<b>Total Stores</b>	<b>63</b>									

**TABLE A-4  
TYPES AND SIZES OF GROCERY AND FOOD STORES SERVING OAKLAND/BERKELEY AREA**

Category/Type	Size Range	Comments/Examples
Small, Specialty Food Stores	1,000-4,000 sq. ft.	<ul style="list-style-type: none"> <li>Typically include independent food merchants</li> <li>Notable component of food shopping in Oakland/Berkeley areas, sometimes referred to as gourmet ghettos</li> </ul>
Specialty Grocery Stores and Smaller Markets/Groceries	8,000-16,000 sq. ft.	<ul style="list-style-type: none"> <li>Examples include:                             <ul style="list-style-type: none"> <li>Independents, such as Piedmont Grocery (16,000 sf) and Village Market (12,000 sf)</li> <li>Chains, such as Trader Joe's (~14,000 sf)</li> </ul> </li> </ul>
<b>Smaller, Full-line Grocery Stores in Older, Existing Buildings /a/</b>	<b>18,000-35,000 sq. ft.</b>	<ul style="list-style-type: none"> <li>Examples include:                             <ul style="list-style-type: none"> <li>Safeway (18,500 sf) on Redwood Rd., Oakland (proposal for new store at 45,200 sf)</li> <li>Safeway (21,000 sf) in Montclair, Oakland</li> <li>Andronicos (22,000 sf) on Telegraph Ave., Berkeley</li> <li>Safeway (24,500 sf) on Grand Ave., Oakland</li> <li>Whole Foods (24,500 sf) at Telegraph &amp; Ashby, Berkeley</li> <li>Safeway (27,700 sf) on Fruitvale Ave., Oakland</li> <li>Grocery Outlet (33,400 sf) on Broadway, Oakland</li> </ul> </li> </ul>
<b>Larger, Modern, Full-line Grocery Stores in Recently Developed Buildings /b/</b>	<b>45,000-65,000 sq. ft.</b>	<ul style="list-style-type: none"> <li>Examples include:                             <ul style="list-style-type: none"> <li>Safeway (45,200 sf approved) on Shattuck, Berkeley (to replace older 28,000 sf store)</li> <li>Safeway (48,000 sf) at 51<sup>st</sup> &amp; Broadway, Oakland (proposal for new store at 65,000 sf)</li> <li>Lucky (55,000 sf) on East 18<sup>th</sup> St., Oakland</li> <li>Berkeley Bowl West (55,000 sf) on Heinz Ave. in West Berkeley</li> <li>Whole Foods (58,600 sf) at Harrison/Bay Place, Oakland</li> </ul> </li> </ul>
Bulk/Warehouse Food Stores	50,000-80,000 sq. ft.	<ul style="list-style-type: none"> <li>Pak N Save (53,700 sf) on San Pablo Ave., Emeryville</li> <li>Pak N Save (60,300 sf) on Hegenberger, Oakland</li> <li>Foods Co. (72,000 sf) at Foothill Square in Oakland (recently approved)</li> </ul>
Big Box Stores with Fresh Food/Groceries	100,000-200,000 sq. ft. total space for groceries and other goods	<ul style="list-style-type: none"> <li>Examples include:                             <ul style="list-style-type: none"> <li>Costco in Richmond and San Leandro</li> <li>Target in Oakland/Emeryville, Albany, Richmond, and San Leandro</li> </ul> </li> </ul>

/a/ Remodeling of older, existing stores without expansion, as occurred with the Grand Avenue Safeway, has not had positive customer reaction, and does not appear to have improved the attractiveness of the older store *vis-à-vis* other shopping options.

/b/ Due to site constraints, the proposed new Safeway store on College Ave. will have selling area equivalent to a more efficient 45,000 sq. ft. store, like that recently approved in Berkeley.

Source: Hausrath Economics Group with Input from Safeway and Lowney Architecture