



**Statement of Business Operations
For Conditional Use Permit for Type 21 ABC License
1210 41st Avenue, Capitola, CA
April 1, 2024**

Grocery Outlet proposes to open a 14,495 square foot store in a space that had been occupied by New Leaf Community Market. The request is to allow Grocery Outlet to sell beer, wine, and distilled spirits for off-site consumption (ABC Type 21 License).

Grocery Outlet offers fantastic bargains and deals on a variety of products including grocery, frozen foods, deli items, vitamins, health and beauty items, housewares, gift items and much, much more. Brand names for less is the name of the game and smart shoppers get incredible savings over regular store prices every day when they shop Grocery Outlet. Grocery Outlet gets products by searching the nation's major manufacturers for amazing one-time buys resulting from excess production, packaging/design changes, and special promotions. Grocery Outlet's assortment of product changes frequently because of the nature of the one-time buys.

As such, Grocery Outlet stores are "destination stores". Although the sale of alcohol is approximately 4-5% of total sales, the customers desire the convenience of being able to purchase alcoholic beverages together with the typical grocery items. This convenience is imperative to Grocery Outlet's ability to serve and attract customers. With the addition of distilled spirits, the display area for alcoholic beverages will remain the same size. Some of the existing shelf space used for beer and wine will be used for the display of spirits. Moreover, Grocery Outlet believes that offering a full assortment of products typically found in grocery stores is beneficial to the neighborhood and city. As a destination store, Grocery Outlet typically has customers who shop from outside the city.

Grocery Outlet owns over 250 stores in California that sell alcohol. Operators and their employees of all the locations are careful to make sure the store is always clean, neat, and free from debris. Grocery Outlet has had no significant issues raised by local law enforcement agencies with respect to alcoholic products or public disturbances. Grocery Outlet is fully aware of the unique responsibilities of operating a store associated with alcoholic beverage sales.

The store is open from 6 AM to 11 PM daily. The store is staffed with approximately 35 employees; approximately 12 employees are on-site at any given time during store operations. As related to alcohol sales, all register clerks are trained in proper alcoholic beverage sales rules,

including use of Point-of-Sale required identification age verification. All clerks have read and signed the Alcoholic Beverage Control's Clerk's Affidavit. These affidavits are kept on file by the store operator. For security, Grocery Outlet has a minimum 16 camera system which has a view of all parts of the store, including the alcoholic beverage display area. The video system has a 30-day retrieval function that can track previous days' activity.

As noted above, the sale of beer, wine, and distilled spirits will constitute about 4-5% of total sales. The alcoholic beverage display of approximately 731 square feet is highlighted on the floor plan included with this application. The alcoholic beverage display area is 7.57% of the total square footage of the Grocery Outlet premises.