

South City
GROCERYOUTLET
bargain market®

Dear South San Francisco City Council,

We are the independent operators of South City Grocery Outlet located at 125 Hickey Boulevard, South San Francisco. Dave, our daughters and son-in-law have proudly served our local community for nine years. We are writing in regards to the proposed \$4/Hour Hazard Pay Ordinance South City is considering.

The health and safety of our employees and customers are our top priority and concern. Throughout this pandemic, we have implemented safety and cleaning protocols in our store, working night and day and spending significant dollars for cleaning and sanitation in order to safeguard our employees and shoppers, stay open and serve our community. Throughout this pandemic, we have paid extra attention to the personal welfare of our employees by supporting days off, leaves, paying appreciation pay, giving free groceries to both our employees and customers. All we are doing has blessed us with only minimal cases in the early month when this began.

South City Grocery Outlet is a local, independently-owned discount grocery store. We are a small employer with less than 50 employees. While we operate under a license from Grocery Outlet, Inc. permitting us to use the Grocery Outlet brand, we are a completely separate entity. Grocery Outlet Inc. has no financial or other ownership interest in us. No other business or person, besides Dave and I, own our business. We in turn, have absolutely no other ownership or financial interest in any other business.

If this ordinance were to apply to us, it would increase our labor cost by \$21,840 per month. That increase would also then increase our payroll taxes, workman's compensation costs, overtime and Paid Time Off. We could not afford to stay in business. All this at a time when we are fighting for our lives to compete with online shopping. South City has already lost many small brick and mortar stores. We don't want to be part of that statistic. Additionally, we fear an ordinance like this will ultimately incentivize potentially ill people to come to work exposing others.

The city council must remember there are many small, independent grocery stores in South City that the community relies on for their groceries. Not all are large companies with the financial means to absorb the \$4/Hour hazard pay hike. I believe Costco and Target aren't even classified as grocery stores so they would be exempt. Many small grocers are probably struggling with the \$15.24/Hour wage increase. While only a few earn that in our store, it has resulted in increases for everyone. We have been able and willing to do that. This \$4/Hour ordinance will break us and many other small grocers.

Please consider the plight of the independent grocer and clarify in the final language of this ordinance that it does not apply to small employer grocery businesses, owned by an independent operator of a single location.

Sincerely,

Michelle and Dave Radcliffe