

Special alcohol district boundaries in question

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produce and frozen food, he said. Behind a marble counter, he'd serve made-to-order deli sandwiches and have coffee, tea, frozen ices, fruit juices and sodas. He promised no airline liquor bottles or fortified wine sales, but rather a collection of "fine" wine and liquor. He was reducing the liquor area in the new store to less than 10% and said he was open to "other restrictions" on alcohol.

The proposal seemed in line with the neighborhood's needs and its new emphasis as an arts district on three blocks of Taylor, north from Market Street. Leading the corridor's evolution at 55 Taylor St. is the soon-to-open Gray Area Arts Foundation, a handsome gallery and studios that replace an old porn theater. Next door, property owner Jack Sumski is pumping more than \$1 million into tenant improvements. He plans a retail art store and a cafe, supplanting the defunct Club 65 bar and the outgoing Grand Liquors commercial spaces.

As if to emphasize the new art thrust, Wonderland, an eclectic art project by more than 40 artists, will have a dozen creations ready in storefronts and other TL locations in October. It, too, will fuel growing hope in the neighborhood that more businesses will venture in and help the turnaround.

One block north, another neighborhood improvement is planned with an eye toward creating a big grocery store. On the northeast corner lot at Taylor and Eddy, diagonally across from TNDC headquarters, the giant nonprofit plans to build affordable housing with 17,000 square feet of retail rental space on the ground floor.

TNDC research showed that residents want a big neighborhood market, so TNDC hired Ventura Partners to analyze the business prospects. Its May 2007 findings said that a mainstream grocery wouldn't be interested because it isn't big enough. Research turned up a couple of model markets in the Mission, at about 5,000 square feet, but when Ventura Partners queried a score of grocery owners and managers whose stores fit the profile and could expand into the Tenderloin, "many" weren't interested. Profit margins are too "thin" and it's hard enough to get by with their own stores, they said.

Rantisi's move to slightly off the Taylor arts cor-

ridor and onto a grim block of Turk that hasn't yet received its Manhattanization booster shot. Tip Top would be the bright star between the Dollhouse strip club to the east and the little, boozeless mom-and-pop King Market to the west — which is snug against the dank but popular 21 Club bar on the corner. Mid-block, where street types hang out day and night, is Tenderloin Liquors and Market. Like Grand Liquors, it does a brisk business.

Rantisi was confident his loyal customers would stay with him. But without liquor sales, he clearly will need a broader customer base.

Chris Schulman of the of the Mayor's Office of Economic and Workforce Development thinks consulting help is at Rantisi's fingertips, if he wants it to find ways to reduce overhead. Schulman spoke against the liquor transfer at the hearing, but says he supports the grocery and is eager to work with Rantisi.

The mayor's office learned of Rantisi's lost lease in February and wanted to meet with him to suggest potential transfer sites outside the Tenderloin, Schulman told The Extra two weeks after the commission vote. But before that could happen, he said, Rantisi signed the 90 Turk St. lease.

In May, Michael Cohen, director of OEWD, and Mitch Katz, DPH director, sent Rantisi a letter saying they thought the market and deli would be a "positive addition to the neighborhood," but, given their "missions," they were "not at all enthusiastic" about the liquor transfer because of the TL's "oversaturation" of liquor stores.

"A coalition of community organizations as well as our two City departments and the Mayor's Office believe that a relocation of your establishment in the same area is against the general plan for (the) Tenderloin, and is a threat to the health and economic growth of the Tenderloin," the letter said.

If Rantisi decided to open without liquor, they said, they'd be happy to talk to him about tax incentives for hiring and equipment, and a potential facade improvement grant.

Those options are still open, Schulman said. He was arranging a meeting with Rantisi for early October that would include his office, the Small Business Development Center and the California Association of Enterprise Zones, experts on tax

incentives and credits for businesses in depressed areas.

"Many stepped up at the hearing and said what they needed was a grocery and deli," Schulman said. "And now we say it's the time to support this because his business model will change. It's a direction, and a number of stores do survive without liquor."

Schulman added, "We need to take a look at this after one year."

In the low, late afternoon light Sept. 28, a steady stream of customers went in and out of Grand Liquors. Some were disheveled and mumbling, and a few nicely dressed. Over 15 minutes they made small purchases of snacks, drinks and household items. Most seemed to know Jack Rantisi, Karim's brother, the daytime cashier. Very few bought half pints of liquor or an airline bottle of vodka or brandy kept in three blue milk cases on the floor near the door. The little bottles were selling for \$1 or three for \$2.

Grand Liquors has had one violation in the last eight years — for selling liquor to a minor. Rantisi paid a \$3,000 fine, records show, and ABC never closed the store.

"That's a good record for a liquor store operator, unless he has police problems," says Jon Mejia, the Glendale-based national sales manager for American Liquor License Exchange that advises clients on buying and selling liquor licenses. At the City Planning hearing, a commissioner asked about Rantisi's record. The police said they'd had no problems with him.

Mejia estimated that Rantisi's liquor license now is worth from \$15,000 to \$25,000. If his business had remained intact at 67 Taylor, he said, it could have been worth up to four times that.

Standing inside the Tip Top Sept. 28 with his father, Frank Rantisi, 86, and some friends, Karim Rantisi was still seething over the commission decision.

"It was unfair what they did," he said. "They did nothing to make it easy for me. I understand it's a crime area, but we need to pay the bills."

"Big family," Frank Rantisi interjected, his eyes large and incredulous. "Have to eat. Why do this?"

"We live here 20 years," said Rantisi. "We're good, honest people making a living. What did I do wrong?" ■

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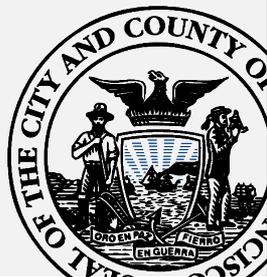
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