

### Attachment 3 – Summary of Information on City Businesses

Based on the active business licenses, the City has 32 grocery store locations, 9 drug/retailer locations, and 1 big box general merchandiser with grocery location; a total of 42 store locations, or 31 unique stores. City staff reached out and had conversations with 60% of these companies. While a majority of the markets would be exempted from the ordinance based on the employee count or size, staff still probed a few of the smaller markets because they were popular neighborhood markets and staff wanted to make sure the ordinance would not inadvertently affect them. Staff didn't contact every store because if the ordinance would not affect them, staff didn't want to create alarm or confusion.

#### Information Gathered:

- There are 9 companies with 1,000+ employees (nationwide): 7/11, CVS, Rite Aid, Safeway, Smart & Final, Target, Trader Joe's, Walgreens, and Whole Foods.
- There are 12 companies with 500+ employees (nationwide): 7/11, Chavez Market, CVS, Mollie Stone's, Nijiya Market, Rite Aid, Safeway, Smart & Final, Target, Trader Joe's, Walgreens, and Whole Foods.
- Convenience markets like 7/11 provide a wide-array of fresh produce and shelf-stable pantry items. There are three 7/11 in San Mateo with less than 10 employees per store owned by different individuals. 7/11's are typically around 5,000 square feet.
- Drug retailers generally have shelf-stable, pantry items such as coffee, tea, sugar, flours, and a couple of refrigerated areas with eggs, milk, and sandwich meats. If they have any fresh produce, it is typically fruits such as apples, bananas, and oranges. The San Mateo locations do not have fresh fruit.
- Grocers have a wide range of square feet size. Nijiya has 12 locations, 600+ employees, and a 5,000 sf store. Chavez has 10 locations, a 15,000 sf store, and 800+ employees. Both are ethnic markets. Marina, another ethnic market, has 25,000 sf, 2 locations, and 100 employees.
- All employees in the markets are customer facing. Market employees often float between 'production' (cleaning, unloading, preparation, etc) and 'sales floor' (cashiers, shelving, customer service, janitorial).
- Wages for employees who work in the pharmacy portion the store are significantly higher, and these employees also face similar hazards as other sales floor employees.
- If the hazard pay is implemented for a portion of the employees, it creates friction between departments and positions due to unequal treatment between employees.
- For grocers who have provided hazard pay it ranged from \$1-\$2.50 per hour increase. Many of them have provided occasional bonus pay in lieu of hazard pay.
- Many of the grocers have continued to provide the Supplemental Paid Sick Leave for COVID-19 after the state mandate expired on 12/31/20.

#### Companies providing ongoing COVID related pay:

- Trader Joe's has a "thank you" premium for all hourly, non-management crew members of \$4 an hour that began on 2/1/21.
- Mollie Stone's provided a one-time holiday recognition pay for employee in Feb totaling \$1M for all their employees.
- Marina provided additional pay, but didn't provide in what amount or how it was distributed.
- Target provided 2 recognition/COVID bonuses of \$500 to employees in February. Didn't provide information if the bonus was store-wide and how many of the employees received the bonuses.

#### Comments/Feedback from Grocers:

- For regional retailers with multiple locations in the Bay Area, the City with the highest mandated hazard pay becomes the new minimum for all employees as it is difficult for stores to have different hourly wages in the same region. Also, owners do not want to create a situation between stores where one set of employees have higher wages than another for the same job.
- Chavez (non-union) and Mollie Stone (union) feel most penalized by the \$5 hazard pay ordinance. Both of the stores are regional chains that are not as well capitalized as publicly traded companies (Safeway), and did not benefit from government programs for smaller independent stores like Mi Rancho or Piazza's. Yet, all of them are in the same "consumer market" and compete for similar customers and sales receipts.
- Grocers also felt that it was unfair that hazard pay is not imposed on subscription-based grocery delivery services like 'Imperfect Produce', CSA's, and grocery delivery app providers. These providers also have employees that are exposed and working in hazardous conditions and do similar work. It effectively increases the costs of operations for brick and mortar stores.
- Grocers mentioned that while there was a brief period of time when there was significant increase in grocery sales, customer shopping patterns have returned to normal levels and customers are not ordering as much as last March. Furthermore, with a distributive workforce, grocers are not selling as much coffee, donuts, prepared lunches, or catering meals for offices. These types of sales checks have the highest profit margin for the grocers. Grocers also reiterated that the profit margin for grocers is around 3%.