

Staff Report
City of Sebastopol
PLANNING COMMISSION
Meeting of June 28, 2011

Item No.: 6B
File No.: 2011-08
Date: June 23, 2011
Staff: Kenyon Webster, Planning Director

Summary

Appellant: Mark Rudolf, Amy's Kitchen Inc.

Location: 796 Gravenstein Highway South

Subject: Appeal of Zoning Ordinance Interpretation Regarding Proposed Restaurant

CEQA Status: Categorical Exemption - Section 15305, Class 5: Minor Alterations in Land Use Limitations

General Plan: General Commercial **Zoning:** CG: General Commercial

Recommendation: Deny Appeal

Project Description:

This is an appeal of a Planning Director Zoning Ordinance interpretation regarding a proposed restaurant at 796 Gravenstein Highway South. The interpretation found that the proposed restaurant would have prohibited drive-through and drive-up elements, and that otherwise the restaurant would be considered a fast-foot establishment requiring a Use Permit.

Analysis

Environmental Review:

This project is exempt from the requirements of CEQA pursuant to Section 15305, Class 5 of the CEQA Guidelines. This Section exempts minor alterations in land use limitations. The Zoning Ordinance interpretation does not have physical impacts; any proposed project would need to be separately evaluated.

General Plan Consistency:

The General Plan Land Use Designation for this site is General Commercial, which provides for a variety of commercial uses including restaurants.

Zoning Ordinance Consistency:

The project site is located in the CG: General Commercial zoning district, in which food sales and service are allowed as a permitted use, and fast-food uses need a Use Permit. However, drive-through and drive-up restaurants are prohibited.

Analysis

Attachments include:

- The appeal of the interpretation
- A letter providing the Planning Department interpretation of the use
- A letter and email describing the proposed use
- A newspaper article relating to the proposal

As indicated in the Planning Department's interpretation, staff believes that the proposal includes two elements (drive-through and drive-up) that are prohibited by the Zoning Ordinance, and that the restaurant use otherwise should be considered a fast-food use requiring application for a Use Permit. As reviewed in the interpretation, the proposal is substantially different than the current Pasta Bella restaurant use. The appeal contends the proposal is similar to the kinds of activities provided in some markets, however the applicant describes the use as a restaurant and staff interprets the use as a restaurant.

The appeal states a belief that the character of the neighborhood will not be altered in any negative way by the project. This is not an issue relating to the Zoning Ordinance interpretation.

The appellant interprets that the likely intent of the drive-through/drive-up prohibition relates to concerns about lower-quality, higher volume restaurants. However the Zoning Ordinance provisions do not distinguish restaurant categories by quality of food or volume of food.

Alternatives for the Commission to consider include:

- Upholding the Planning Department's interpretation
- Granting the appeal in full or part
- Taking either of the above actions and suggesting the applicant apply for a Zoning Ordinance Text Amendment

Recommendation:

It is recommended that the Planning Department interpretation be upheld and that the appeal be denied.

The Commission may interpret the Ordinance and proposed use differently. If the appeal is granted, the Commission should state its rationale for its interpretation, which should address the drive-through, drive-up, and fast-food aspects identified by staff. If directed by the Commission, staff will prepare a revised interpretation.

FINDINGS

Zoning Ordinance Interpretation

796 Gravenstein Highway South Restaurant Proposal

Pursuant to Zoning Ordinance §17.120.020, the Planning Commission makes the following findings and Zoning Ordinance interpretation regarding the appeal:

Information reviewed in conjunction with this interpretation includes the following:

- Appellant's May 26, 2011 letter.

- Appellant's June 6, 2011 email reply to a set of Planning Department questions.
- June 12, 2011 Press Democrat article regarding Amy's Kitchen.
- Sebastopol Zoning Ordinance definitions of restaurant, and fast-food and take-out restaurant.
- Observed operations of the Pasta Bella restaurant currently operating at the site.

Current Use

Pasta Bella, the existing on-site restaurant, has been in operation for a number of years and is a bona fide restaurant, providing full meals and full table service. Food is not ordered at a walk-up counter, food is not served in disposable containers or eaten with disposable utensils, and patrons do not generally consume their meals in a short period of time. It is not a fast food restaurant. The restaurant has a restaurant-type alcohol license. The restaurant has a take-out window, but is not set up for patrons to order food from a vehicle at a remote on-site audio ordering station; rather take-out patrons typically call in an order by telephone and pick up their food at the window. An apparently non-utilized remote order station from a prior business has a sign on it directing customer to proceed to the take-out window. No menu information is provided at the former remote order station. The establishment has offer morning coffee service at the window. It appears the take-out component is an incidental aspect of the restaurant operations and that therefore Pasta Bella has not been and should not be considered to be a take-out or fast-food restaurant.

Proposed Use

Based on the information provided, the proposed Amy's Kitchen use would include the following aspects:

- The general concept would be to provide healthy menu items and quick and convenient meal service.
- Counter service would be provided in the restaurant. It is our understanding that there would not be table service.
- Food would be paid for prior to consumption.
- There would be a drive-up service. Persons could pull into a parking space, sit in their vehicle, and use an ordering terminal to order their food, which would then be delivered to their vehicle.
- There would be drive-through service. This would include a remote ordering station, and pull up to receive food at the existing take-out window.
- The restaurant would provide food in disposable containers. All containers would be biodegradable and/or recyclable.
- Approximately 40-60% of the business is expected to be drive-up or drive-through.
- About half of the drive-up customers are expected to consume food in their vehicle.

Analysis

There are several aspects of the proposed project that merit a zoning interpretation:

- Is the proposed use a permitted use?
- Is the proposed use a fast-food restaurant requiring a Use Permit?
- Does the proposed use constitute a fast-food drive-through restaurant (which is prohibited by the City's Zoning Ordinance)?

The site is zoned CG, General Commercial.

The Zoning Ordinance sets forth the following definition of 'Restaurant, Fast Food, Take Out:'

RESTAURANT, FAST FOOD, TAKE-OUT: A restaurant where customers purchase food and either consume the food on the premises within a short period of time or take food off the premises, except for uses qualifying as incidental food service. Typical characteristics of a fast-food restaurant include, but are not limited to, the purchase of food at a walk-up window or counter, payment for food prior to consumption and the packaging of food in disposable containers. A restaurant shall not be considered a fast-food or take-out restaurant solely on the basis of incidental or occasional take-out sales. Drive through and drive in restaurants where customers may be served food in their vehicles are not permitted.

Given the characteristics of the proposed establishment, which include counter rather than table service, use of disposable containers for food, payment for food prior to consumption, the likelihood that most food would be consumed on or off the premises in a relatively short period of time, combined with the drive-up and drive-through aspects of the business, it appears that the establishment has characteristics of a fast-food or take-out restaurant, and therefore, pursuant to CG District regulations, a Use Permit is required.

In contrast to the current Pasta Bella incidental take-out use, the project also proposes substantial drive-up and drive-through components. Under Zoning Ordinance Section 17.08.119 G, these uses are prohibited.

This determination that the project requires a Use Permit and that proposed drive-up and drive-through aspects are prohibited may be appealed to the City Council for a fee of \$230, accompanied by the City appeal form which may be accessed on our web site. Such appeal must be filed within five working days of this action, or by 5 p.m. on July 7, 2011. Should an appeal be filed, under at least one possible outcome, a Use Permit could still be required, which would require filing and processing of such application.

The appeal is denied.

Attachments:

Appeal

June 14, 2011 Planning Department letter

June 6, 2011 email

May 26, 2011 letter

June 13, 2011 newspaper article



City of Sebastopol

APPEAL FORM

Date: 6/20/11
 *Filing Fee Paid: \$230--
 File #: _____

To: (check one) ☐ PLANNING COMMISSION (limited to the appeal of staff determination not involving design matters)
☐ DESIGN REVIEW BOARD (limited to the appeal of staff determination on design matters)
☐ CITY COUNCIL (all other appeals)

FROM: MARK PUDOLPA
 (Please print your name)

SUBJECT: *I wish to appeal the action of* (check one): ☒ CITY STAFF (please give name or title) FENTON WEBSTER,
☐ DESIGN REVIEW BOARD PLANNING
☐ PLANNING COMMISSION DIRECTOR

taken or made on _____ with regards to ESTABLISHMENT OF AN ART'S KITCHEN RESTAURANT
 (date of action or decision) (name of use, applicant, project or other description of item you are appealing)

I ask that the decision or determination made above be reversed and/or modified, and that the original application be:

(check one): ☒ granted ☐ denied ☐ modified. The reason(s) that my appeal should be granted by the Board,

Commission or Council named above ☐ are set forth below: or, ☒ are attached.

I understand that there is a filing fee for appeal, whether the appeal is from a Staff Determination, Design Review Board Decision, or Planning Commission Decision, and that the fee must be paid on the date that the appeal is submitted. Appeals must be submitted within 5 working days from the day of the original staff determination, or of the Board/Commission action. * Only one (1) appeal can be accepted for any action.

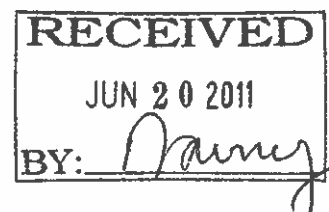
You will be notified by mail of the date of the City Council hearing on review of your appeal. All interested persons will be entitled to attend the meeting and be heard.

Vincent C. Smith for MARK PUDOLPA
 Your signature

1650 GORDON AVE, SUITE 200, PETALUMA
 Your Mailing Address 94955

707-781-7618
 Your Phone Number

* If a staff determination was mailed to you, and a public meeting has not been held, then the appeal must be submitted within five working days of the mailing of the letter.



Amy's Kitchen Appeal

Reasons for Approving as a Permitted Use

Amy's Kitchen is respectfully appealing the City's determination that the existing restaurant located at 796 Gravenstein Ave. cannot be converted to an Amy's Kitchen Restaurant without approval of a Use Permit. Furthermore, we also appeal the City's determination that continued use of the drive-thru function occurring on site now is prohibited. We provide the following for consideration of the appeal:

1. We believe this style of restaurant is a "hybrid" of restaurant dining and the pre-prepared hot and cold meals provided at most grocery stores today.
2. We believe that the unique nature of our proposed restaurant format; serving healthy meals that are meatless, organic and sourced from sustainable food suppliers is a great fit for Sebastopol and we anticipate the restaurant will be well received in Sebastopol.
3. We believe the character of the neighborhood would not be altered in any negative way by our project
4. With regard to the use of the drive-thru functions, we believe the interpretation is erroneous. The drive through window has been in place since original construction of the building and site and has been in active use off and on over those years.
5. We believe that utilizing the language in Mr. Webster's letter interprets the fast food ordinance too loosely. We believe the original intent is to prevent lower quality, higher volume type restaurants.

Amy's Kitchen researched a number of locations within Sonoma County and outside the County to find the best location to launch this concept restaurant. We are excited and hopeful that this site will work as we believe the City of Sebastopol would make a great partner in supporting the restaurant leading to the success of the concept.

Planning Department

714 Johnson Street

Sebastopol, CA 95472

Phone (707) 823-6167

Fax (707) 823-4721

Website: www.ci.sebastopol.ca.us

E-mail: kplan@sonic.net

Kenyon Webster, Planning Director

City of

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Founded
1902

June 14, 2011

Mark N. Rudolph, CFO
Amy's Kitchen, Inc.
P.O. Box 4759
Petaluma, California 94955

Dear Mr. Rudolph:

This is in response to your May 26 request for a Zoning Ordinance Interpretation for a proposed restaurant business at 719 Gravenstein Highway South in Sebastopol. I believe that you intended that the request relate to 796 Gravenstein Highway South, the current site of the Pasta Bella restaurant. We received the required application fee for this request on June 12, 2011.

Information reviewed in conjunction with this interpretation includes the following:

- Your May 26, 2011 letter.
- Your June 6, 2011 email reply to a set of Planning Department questions.
- June 12, 2011 Press Democrat article regarding Amy's Kitchen.
- Sebastopol Zoning Ordinance definitions of restaurant, and fast-food and take-out restaurant.
- Observed operations of the Pasta Bella restaurant currently operating at the site.

Current Use

Pasta Bella, the existing on-site restaurant, has been in operation for a number of years and is a bona fide restaurant, providing full meals and full table service. Food is not ordered at a walk-up counter, food is not served in disposable containers or eaten with disposable utensils, and patrons do not generally consume their meals in a short period of time. It is not a fast food restaurant. The restaurant has a restaurant-type alcohol license. The restaurant has a take-out window, but is not set up for patrons to order food from a vehicle at a remote on-site audio ordering station, rather take-out patrons typically call in an order by telephone and pick up their food at the window. An apparently non-utilized remote order station from a prior business has a sign on it directing customer to proceed to the take-out window. No menu information is provided at the former remote order station. The establishment has offer morning coffee service at the window. It appears the take-out component is an incidental aspect of the restaurant operations and that therefore Pasta Bella has not been and should not be considered to be a take-out or fast-food restaurant.

Proposed Use

Based on the information provided, the proposed Amy's Kitchen use would include the following aspects:

- The general concept would be to provide healthy menu items and quick and convenient meal service.
- Counter service would be provided in the restaurant. It is our understanding that there would not be table service.
- Food would be paid for prior to consumption.
- There would be a drive-up service. Persons could pull into a parking space, sit in their vehicle, and use an ordering terminal to order their food, which would then be delivered to their vehicle.
- There would be drive-through service. This would include a remote ordering station, and pull up to receive food at the existing take-out window.
- The restaurant would provide food in disposable containers. All containers would be biodegradable and/or recyclable.
- Approximately 40-60% of the business is expected to be drive-up or drive-through.
- About half of the drive-up customers are expected to consume food in their vehicle.

Analysis

In our analysis, there are several aspects of the proposed project that merit a zoning interpretation:

- Is the proposed use a permitted use?
- Is the proposed use a fast-food restaurant requiring a Use Permit?
- Does the proposed use constitute a fast-food drive-through restaurant (which is prohibited by the City's Zoning Ordinance)?

The site is zoned CG, General Commercial.

The Zoning Ordinance sets forth the following definition of 'Restaurant, Fast Food, Take Out:'

RESTAURANT, FAST FOOD, TAKE-OUT: A restaurant where customers purchase food and either consume the food on the premises within a short period of time or take food off the premises, except for uses qualifying as incidental food service. Typical characteristics of a fast-food restaurant include, but are not limited to, the purchase of food at a walk-up window or counter, payment for food prior to consumption and the packaging of food in disposable containers. A restaurant shall not be considered a fast-food or take-out restaurant solely on the basis of incidental or occasional take-out sales. Drive through and drive in restaurants where customers may be served food in their vehicles are not permitted.

Given the characteristics of the proposed establishment, which include counter rather than table service, use of disposable containers for food, payment for food prior to consumption, the likelihood that most food would be consumed on or off the premises in a relatively short period of time, combined with the drive-up and drive-through aspects of the business, it appears that the establishment has characteristics of a fast-food or take-out restaurant, and therefore, pursuant to CG District regulations, a Use Permit is required. Use Permit application forms are available at the Planning Department counter and on the City web site.

In contrast to the current Pasta Bella incidental take-out use, the project also proposes substantial drive-up and drive-through components. Under Zoning Ordinance Section 17.08.119 G, these uses are prohibited.

This determination that the project requires a Use Permit and that proposed drive-up and drive-through aspects are prohibited may be appealed to the Planning Commission for a fee of \$230, accompanied by the City appeal form which may be accessed on our web site. Such appeal must be filed within five working days of this letter, or by 5 p.m. on June 21, 2011. Please be advised that should you file an appeal, under at least one possible outcome, a Use Permit could still be required, which would require filing and processing of such application.

We do appreciate Amy's intent to transform the nature of conveniently-provided meals.

Please feel free to contact me if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Kenyon Webster", with a long horizontal flourish extending to the right.

Kenyon Webster, Planning Director



May 26, 2011

City of Sebastopol
Attn: Kenyon Webster, Planning Director
714 Johnson Street
Sebastopol, CA 95472

Re: Amy Kitchen Restaurant

Dear Mr. Webster,

Amy's Kitchen has been exploring the opportunity to establish a restaurant serving wholesome, healthy, organic foods prepared following the high standards set for Amy's Kitchen foods. As we are a Sonoma County based business with Headquarters in Petaluma and production facilities in Santa Rosa, we have been looking for the "right" site for us to start our restaurant project. We believe we have found a great site for our first restaurant prototype; the building currently occupied by *Pasta Bella* at 719 Gravenstein Highway. We are attracted to this site and to Sebastopol for several reasons including, but not limited to: the site's exposure to an established traffic pattern; the existing restaurant facility; the ease of building conversion; and, the demographics of Sebastopol. We are currently in negotiations with the Pasta Bella Business Owner, and the Property Owner, for Amy's Kitchen to take over the site for a replacement restaurant.

Specifically, Amy's will operate a restaurant providing healthy menu items such as:

- Meatless Burgers, Burritos, Wraps and single-serving pizzas
- Side dishes including French fries, potatoes, salads and other sides
- Fountain beverages including juice alternatives and smoothies
- Deserts including ice cream and cookies

These menu items will be prepared following Amy's exacting standards for high quality, healthy foods using sustainably and organically farmed products. Operationally, Amy's Restaurant will receive orders and serve these menu items from a walk-up counter with the number of tables and seats within the existing restaurant remaining approximately the same. In addition, Amy's will retain and continue to operate the existing drive-thru ordering system/window. Finally, as Amy's is committed to the environment and minimizing their carbon footprint, all packaging will be either biodegradable or recyclable and will be collected on site accordingly.



The logo for Amy's, featuring the word "Amy's" in a large, stylized, cursive script font.

Amy's Kitchen is very committed to this restaurant project. We feel there is a market for a restaurant providing convenient, good tasting and healthy food and we hope to bring this concept to Sebastopol. We believe our restaurant format is consistent with the site's Zoning and that, other than Building Permits for remodel work to the restaurant, no further City approvals are necessary. As such, before Amy's can finalize agreements with the Business and Property Owners, we request written verification from the City that our restaurant is permitted at this location.

We appreciate your time and we look forward to a positive response in the near future. If you have any questions about our restaurant concept, please do not hesitate to contact me.

Best regards,

A handwritten signature in black ink, appearing to read "Mark N Rudolph".

Mark N Rudolph, CFO
Amy's Kitchen, Inc.
(707) 781-7618

The logo for Amy's, featuring the word "Amy's" in a stylized, cursive script font.

Kitchen Inc. P.O Box 4759 Petaluma, California 94955 (707) 781-6600 Fax: (707) 763-3957

Kenyon Webster

From: Mark Rudolph <markrudolph@amyskitchen.net>
Sent: Monday, June 06, 2011 6:02 PM
To: Kenyon Webster
Cc: Bob Oshetsky
Subject: RE: Amy's Kitchen

Hi Kenyon,

Thank you for getting back to me so promptly. We are in the planning stages of this project and the best I can do at this time is to describe our expectations and purpose of our perceived concept.

Amy's Kitchen plans on providing healthy food to customers in a quick and convenient manner.

- How many seats (indoor and outdoor) are proposed?
 - We intend to maintain the same indoor and outdoor seating that is available today.
- Would any alcohol service be proposed?
 - No alcohol will be served.
- Would there be wait staff and table service, or only walk-up counter and drive-up service?
 - For convenience to our customers we intend to have three different service models.
 - Counter service – Walk inside, up to the counter and order your meal. Receive a number and food will be delivered when your number is ready.
 - Drive up service – For people that are in a hurry or have children or it's not convenient to get out of their car, but would like to turn their car off while waiting for their food. You would pull into a parking spot, order your food via an ordering terminal and your food will be delivered directly to your car when ready.
 - Drive through service – Again for convenience purposes, a drive through option will be available. You would order at a remote order station, then pull up to receive your food through the existing window.
- Would payment for meals occur prior to provision of meals to the customer?
 - Counter service payment would take place upon confirmation of order, before the meal is delivered to the customer.
 - Drive up and drive through service payment would occur at the time the food is delivered to the customer.
- Would food be served in disposable containers?
 - The entire concept will be developed from a green / sustainable perspective. All containers and serve ware will be either biodegradable and/or recyclable.
- Would the drive-up service include a remote audio order station?
 - Ordering from the drive up and drive through stations would be facilitated via remote stations.
- What is your estimate of the proportion of counter meal service versus drive-up service?
 - We expect between 40-60% of orders to be drive up or drive through, the balance would be walk in, sit down business.
- What is your estimate of on-site meal consumption versus take-out service?
 - In addition to the above response, we expect about 50% of the drive up business to be consumed in there car on site.

Additionally, the Point Of Sale system we intend to deploy will be developed by Apple software and devices. People will be able to order and pay remotely via iPhone and pick up and/or pay at the drive through window. Again, our intention is to provide the maximum amount of convenience and flexibility for customers to eat a healthy food option.

I hope this answers your questions sufficiently. We are currently working on a detailed plan to further define the concept. This plan includes messaging, look and feel of the unit, menu development, purpose and sustainability perspective, etc. We believe that we are on to something that will be received quite well. Fortunately, Amy's has the infrastructure from a food manufacturing perspective to be able to execute at a level that other concepts can not.

Please let me know what additional information I can provide you.

Thanks,

Mark N. Rudolph

Chief Financial Officer

Amy's Kitchen, Inc.

1650 Corporate Circle, Suite 200

PO Box 4759

Petaluma, CA 94955

Direct (707) 781-7618 | Cell (707) 775-7142

markrudolph@amyskitchen.net

From: Kenyon Webster [mailto:kplan@sonic.net]

Sent: Thursday, June 02, 2011 9:04 AM

To: Mark Rudolph

Cc: 'Bob Oshetsky'

Subject: RE: Amy's Kitchen

Mr. Rudolph—

It appears you are seeking a Zoning Ordinance interpretation. There is a \$355 fee for that type of request. Please transmit a check made out to the City of Sebastopol in that amount.

In addition, I would like more information on the proposed use, including:

- How many seats (indoor and outdoor) are proposed?
- Would any alcohol service be proposed?
- Would there be wait staff and table service, or only walk-up counter and drive-up service?
- Would payment for meals occur prior to provision of meals to the customer?
- Would food be served in disposable containers?
- Would the drive-up service include a remote audio order station?
- What is your estimate of the proportion of counter meal service versus drive-up service?
- What is your estimate of on-site meal consumption versus take-out service?

Let me know if you have any questions.

-Kenyon Webster

From: Mark Rudolph [mailto:markrudolph@amyskitchen.net]

Sent: Wednesday, June 01, 2011 3:14 PM

To: kplan@sonic.net

Cc: Bob Oshetsky

Subject: Amy's Kitchen

Hi Kenyon,

I am following up on the letter I mailed to you last week regarding Amy's Kitchen's intended use of the Pasta Bella space.

We are in contract to purchase Pasta Bella and to use the space for our new Amy's Kitchen healthy food concept. Our contingencies for this happening are 1) a successful negotiation of a new lease with the landlord and 2) confirmation from the planning department on the intended use. The lease has been negotiated leaving your response still open.

I don't mean to rush you, but would love to hear back from you as to the timing of your response.

Sincerely,

Mark N. Rudolph

Chief Financial Officer

Amy's Kitchen, Inc.

1650 Corporate Circle, Suite 200

PO Box 4759

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Direct (707) 781-7618 | Cell (707) 775-7142

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Turning point for couple's two Amys

By **ROBERT DIGITALE**

THE PRESS DEMOCRAT

Published: Sunday, June 12, 2011 at 3:00 a.m.

Seated in the living room of their 1870s farmhouse, Andy and Rachel Berliner laugh easily when looking back on 23 years of business successes and a few mistakes at Amy's Kitchen, their Petaluma-based maker of natural, convenience foods.

Dressed in jeans and unhurried in their recollections, the couple strike a more earnest tone when discussing the link between the company and its namesake, their only child, Amy.



Christopher Chung / PD

Amy's Kitchen owners and founders Rachel, center, and Andy Berliner, right, taste test dishes produced at their plants in Santa Rosa and Medford, Oregon, with sensory project coordinator Francois Perreau in their Petaluma office on Wednesday, May 25, 2011.

"One of my motivations during the hard times, and there were hard times, was to leave the opportunity for Amy if she wants to carry on the business," said Andy Berliner. "So my goal was always to hang in there long enough at least to where she was able to make a firm decision about what she wants to do in life."

Those who know them say that, for the Berliners, it isn't about the money.

Andy Berliner, 64, a Chicago native, came to Sonoma County in the early 1970s, saying he'd always wanted to live on a farm. Later on a meditation retreat in India he met Rachel, 57, who grew up in Southern California. The couple married in 1985.

Together they have built one of Sonoma County's largest locally owned companies — with sales of vegetarian frozen entrees, canned soups and other products this year expected to top \$300 million.

Plenty of large companies have tried to buy Amy's Kitchen and its processing plants in Santa Rosa and near Medford, Ore. But the Berliners refuse to sell. They see themselves as caretakers of a business for people seeking a different kind of prepared foods. Their values and their fingerprints are everywhere at Amy's Kitchen.

Both the company and their daughter, who graduates today from Stanford University, are poised to begin a new era, one where the connection between the two will grow even stronger.

The business this year is expanding with a small plant in England and eventually a \$63 million processing facility in South Carolina.

And Amy Berliner, now 23, will start work for the company this summer as part of a small team based in England. In the coming years, she said, she hopes to learn much about her own career skills and interests, but "I do know that I'm committed to Amy's and the cause."

She emphasized that the company will stay in the family.

With strong, steady growth, Amy's Kitchen has broken into the ranks of the nation's largest food processors. Last month the company ranked 19th among makers of refrigerated and frozen entrees. The list in the trade publication Refrigerated and Frozen Foods includes such giants as Nestle, Oscar Mayer, Kellogg's and Sara Lee.

The company has 1,800 employees, and about 1,000 of them work in Sonoma County, most at its main processing plant in Santa Rosa.

Andy Berliner, 64, and wife Rachel, 57, continue to pour themselves into the company they began in 1988. They run it their way, which at times seems counter to common practices in big business.

The Berliners do little advertising. They have built a reputation for refusing to skimp on quality and nutrition in their foods. And they seek managers who have what Andy Berliner called "the right spirit," including a willingness to lead with "gentle guidance."

"There's no yelling at Amy's anywhere in the organization," he said. "It's kind of like a not-allowed thing. If somebody loses it, they go for a walk."

The couple also give attention to seemingly small details. After their interview, the Berliners drove to the company's headquarters in Petaluma to look over several packaging designs.

One task was to change the bright orange background color on their Golden Lentil soup label. With 21 of their other soup flavors lined and stacked before them — each with its own distinct background — the couple huddled at a conference room table and studied sheets of available ambers, tans and other shades.

Eventually they picked a hue that their marketing director described as a “lighter, softer orange.”

“They live and breathe and eat and talk Amy’s constantly,” Amy Berliner said of her parents. To her, it would be “weird” to spend an entire dinner together without discussing the business.

All three family members believe that selling the company would hurt the quality of its products and eventually its workers.

“There’s a certain responsibility you feel when you know that if you sell this company, that nobody in their right mind is going to be spending all the time that we do and not make quite as much money,” said Rachel Berliner.

The Berliners’ success began with a powerful idea — that people would buy tasty and nutritious vegetarian frozen meals. They tell how they were unable to find such food after the birth of their daughter, when time for cooking meals was at a premium.

From their first product, a frozen vegetable pot pie created with the help of Rachel’s mother, Amy’s Kitchen grew as consumers began embracing more natural products at stores like Whole Foods, which today carries a vast array of Amy’s 180 all-vegetarian products. The offerings include frozen pizzas, burritos and various entrees, breakfast foods, snacks and desserts.

Getting the company’s products into major supermarket chains was a major step forward, as was opening the new plant in Oregon.

Today Amy’s Kitchen produces the equivalent of a half million meals a day. A company video says its products annually require 20 million pounds of tomatoes. The business makes its own tofu, tortillas and, soon, pasta.

Amy's is ranked sixth among all U.S. food processors for sales of single-serve frozen dinner entrees in the 52-weeks ending May 15, according to SymphonyIRI Group, a Chicago-based market research firm. The top five brands all saw their sales dollars for such products decline in that period, while Amy's sales grew almost 13 percent to \$104 million. The data doesn't include Wal-Mart or membership stores like Costco.

Amy's managers said the company has gained 55 percent of natural frozen pizza sales and 47 percent of the natural canned soup market.

When it comes to natural convenience foods, Amy's Kitchen "absolutely dominates that category," said Tom Scott, vice president and manager of the Cotati-based Oliver's Market chain. He said the company benefitted from being "first to market" and it has never surrendered that advantage.

Bob Garrison, editor of Refrigerated and Frozen Foods in Troy, Mich., said he's impressed with both the company's growth and its independence.

"It's rare that a company can continue to be privately held," he said.

Success didn't come without mistakes. The Berliners recalled how they tried a new method for making pizzas at the Oregon plant. The approach, to cook pizzas without metal pans, proved a disaster, Andy Berliner said. The company eventually spent about \$1 million to switch over to the same method used in Santa Rosa.

Friends credit the Berliners with creating a company culture that isn't fixated on short-term profits.

James Tyler, a longtime friend who lives near Cooperstown, N.Y., said the Berliners approached the business "in the same way that they brought up Amy, with a lot of love and care and attention."

"It's amazing how there's this kind of parallel between the growth and development of their daughter Amy and the growth and care of their business," Tyler said.

The couple have distinct roles. Rachel Berliner, whose art background influences Amy's package designs, said her contribution has been to listen to customers. She typically starts and ends her day by reading emails, many of which are shared around the company.

As a result of such messages, the company began to make gluten-free pizzas, "light in sodium" soups, "lite & lean" entrees for dieters and most recently, organic chocolate candy bars. Rachel Berliner said customers convey needs and wants "before it becomes a trend."

"And if you listen in the beginning, then ... you have the product ready when the market is demanding it," she said.

Andy Berliner, who uses two cell phones but rarely sits at a computer, is the visionary, the one who decides the right time to launch a new product or to test new markets in Europe and Asia. He keeps his office beside their home in a former dairy barn, removed from Amy's headquarters to give him space to think.

One of his biggest business lessons concerns how difficult it was to quickly expand operations at the Oregon plant after it opened about five years ago. He said Scott Reed, the company's executive vice president, had warned him.

"And I said it couldn't be that hard. But he was right," he said. As a result, the company plans to take more time building its operation in South Carolina. That plant is slated to grow to 700 workers in six years.

Among their latest ideas, the Berliners this year plan to open a fast-food restaurant in Sonoma County that will feature some of their popular vegetarian recipes. It's an experiment to see whether enough consumers want a more nutritious alternative to the typical fast-food chains.

The company declined to name the location, but public records indicate that Amy's Kitchen is about to complete the purchase of a restaurant on Gravenstein Highway South in Sebastopol, directly across the street from a McDonald's.

The Berliners also plan to open two "wellness centers," staffed with a doctor and nurse practitioner, that will provide non-emergency medical care to Amy's employees and their family members for the plants both here and in Oregon. The aim is to help improve workers' health, a move they said also will help hold down medical insurance costs.

Eddie Rosen, a longtime friend from Penngrove, said the Berliners remain remarkably unaffected by all that they've achieved. They have lived in the same farmhouse outside Petaluma since their marriage, and they have stayed connected with their friends.

"In spite of the remarkable success of Amy's Kitchen, they're both the same that they've been all along," Rosen said.

Rachel Berliner's interest include calligraphy and collage art. Her husband was once an avid surfer, telling one interviewer that the things he couldn't live without included a Donald Takayama Noah Ka Oi surfboard. However, today he said he rarely gets out on the water, though he still wants to.

The company's donations include a \$200,000 gift to allow the completion of a long-delayed city park in Santa Rosa near their Northpoint Parkway plant.

The Berliners have been involved for years with Petaluma's Science of the Soul Center. They hosted weekly group meetings at their home for more than 20 years. They helped donate 77 acres for the center's facility and they were involved in 2003 when an estimated 5,000 people attended a gathering to welcome their religious organization's spiritual guru from India.

Its believers follow a vegetarian diet, take no drugs or alcohol, promise to lead a fair and moral life and meditate daily.

A key insight on couple's values came when they discussed what the result would be if they ever sold Amy's Kitchen.

"It would be a huge burden to have all of that money," Andy Berliner said. "Just think about having that much money. Unless you like that kind of thing, which I don't, imagine having to try to figure out how to invest and ... how do I donate."

Rachel Berliner said, "Having that much money is its own job."

"And I don't think it's as fulfilling as what we're doing," her husband said.

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