



# North San Jose Retail Strategy

North San Jose Task Force

October 11, 2007

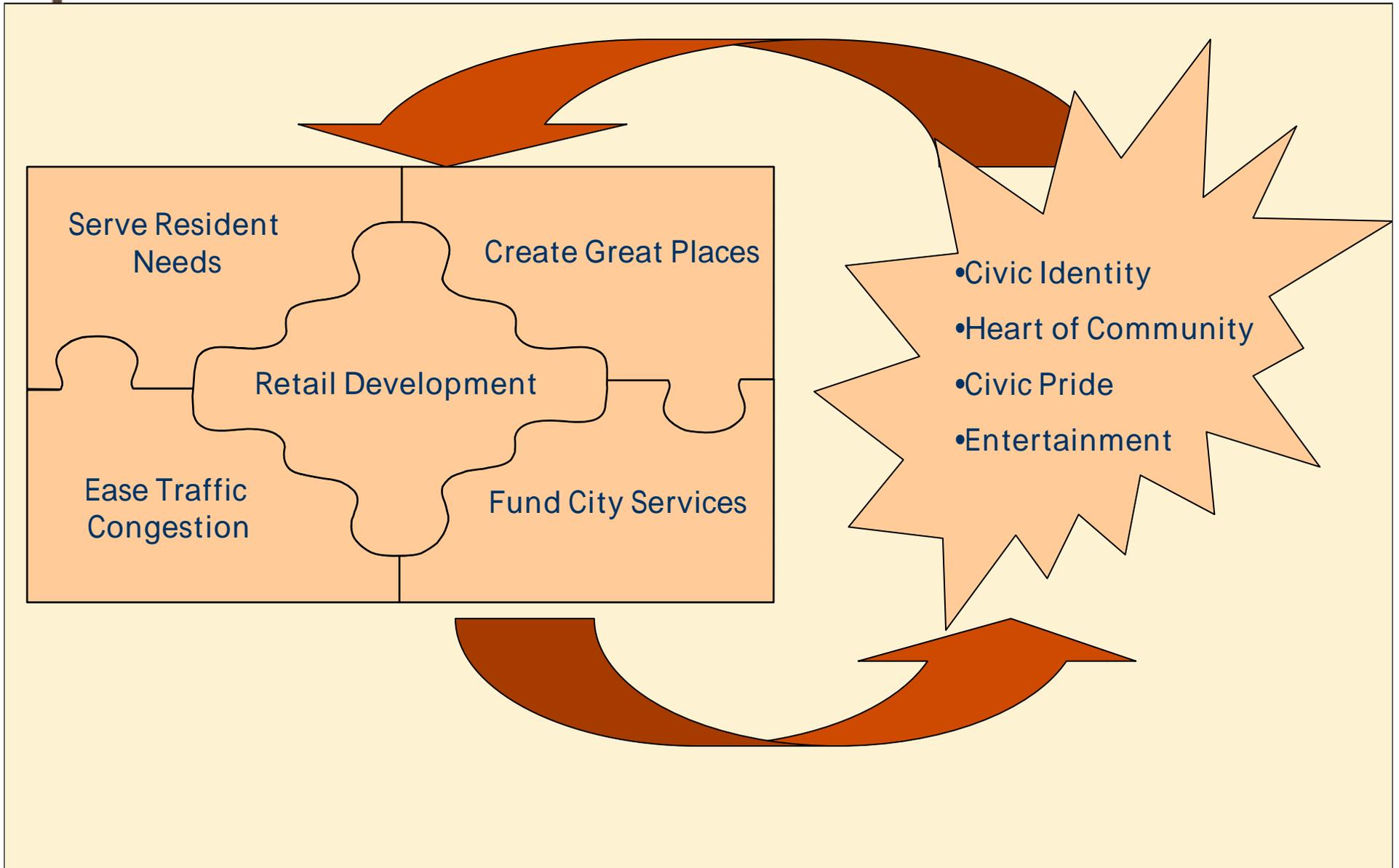
Nanci Klein, Office of Economic Development

Anne Stedler, Redevelopment Agency

# Overview

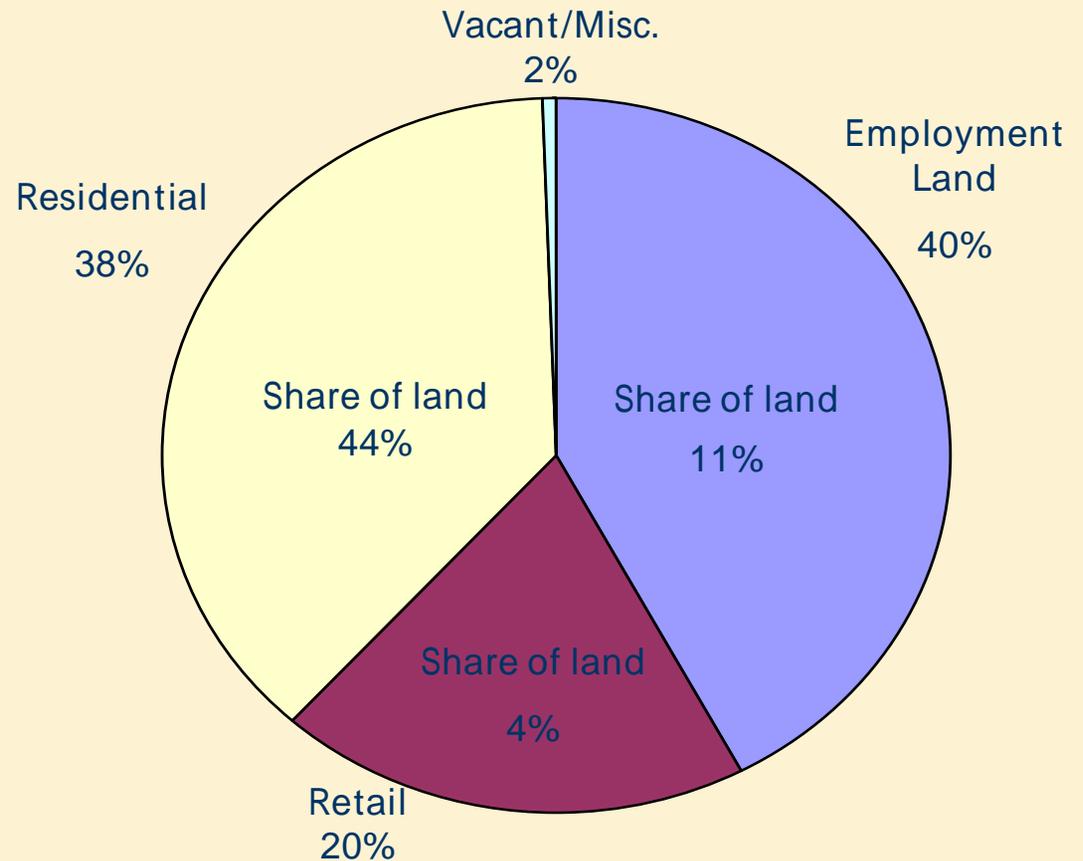
- Retail 101
- Creating Vibrant Neighborhood Business Districts
- What Retailers Want
- The Process: What's Involved in Bringing in New Retail?
- Case Study: @ First
- Q&A

# Retail Integrates Multiple Goals



# Economic Activity Crucial to City Revenue

Retail land contributes 20% of tax Revenue from 4% of the land base.



City and Agency Revenue Included: Property Tax, TIF, TOT, Sales Tax, Utility Tax, Gaming Tax  
Remaining land is roads/right of ways/public open space

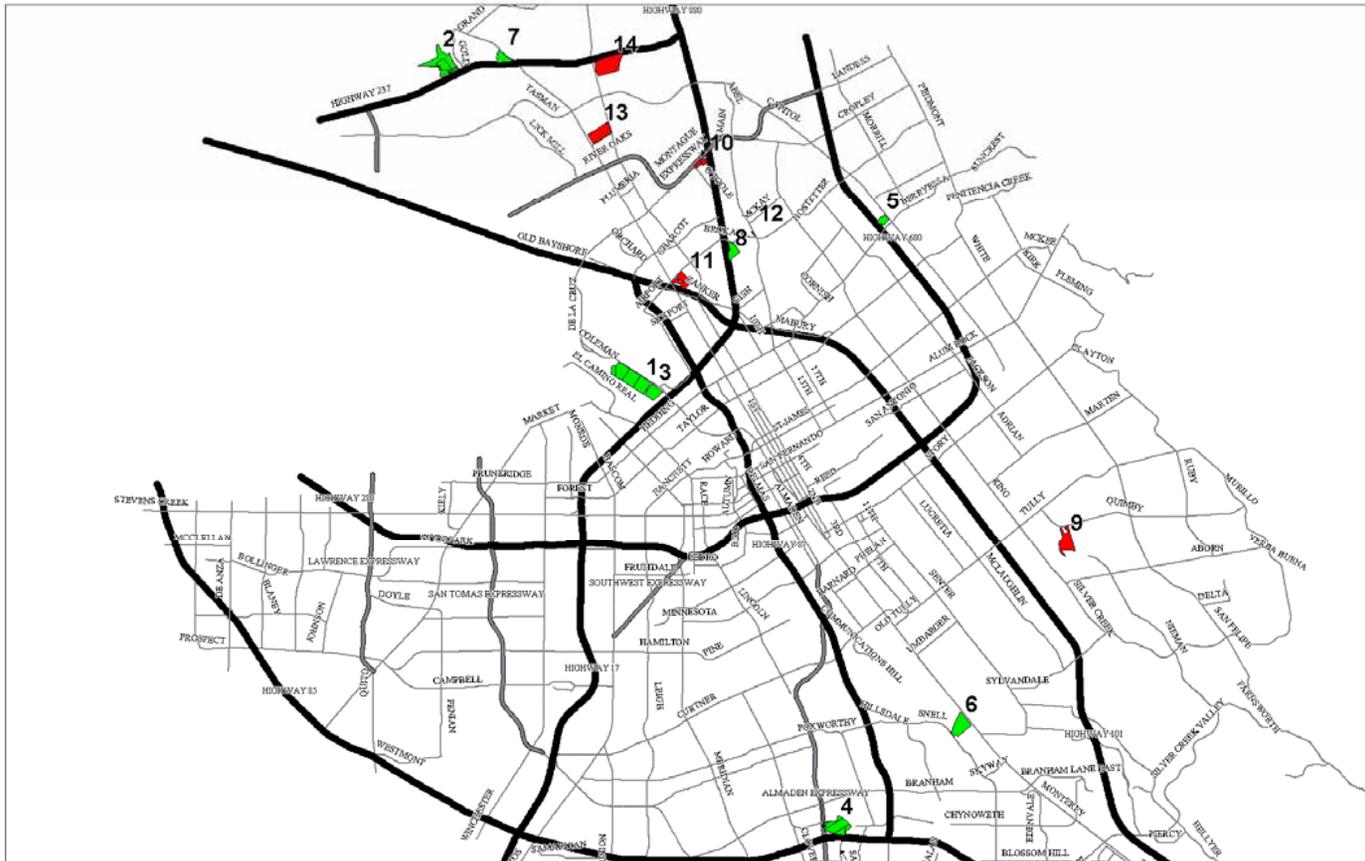
# San Jose Retail Leakage

- San Jose under-retailed by \$1.8 Billion in taxable sales
  - 18% under-retailing loss to surrounding communities
- Gap could widen to 30% by 2030
- North San Jose significantly under-retailed

# Retail Opportunities

- Anchor tenants generate nearly 10 times the revenue as neighborhood retail
  - \$70,000 per acre vs. \$7,900 per acre
- Best opportunity to increase General Fund Sales Tax is to fully facilitate large-scale entitled retail sites

## Potential Retail Sites



- Framework Implications
- General Plan Consistent with Retail Use

# Potential Sites for Retail

<b>Potential Development Sites</b>			
	Low	High	Average
FMC-Airport West (3)	\$500,000	\$1,000,000	\$750,000
Arcadia (85/Almaden) (9)	\$2,000,000	\$4,000,000	\$3,000,000
Arcadia (Evergreen) (8)	\$500,000	\$1,000,000	\$750,000
Capitol Drive-In (7)	\$2,000,000	\$4,000,000	\$3,000,000
Moitozo Site (4)	\$1,000,000	\$2,000,000	\$1,500,000
Berryessa & Capitol (4)	\$500,000	\$1,000,000	\$750,000
Cisco (237/1 <sup>st</sup> ) (4)	\$250,000	\$700,000	\$475,000
Flea Market Site (4)	\$500,000	\$1,000,000	\$750,000
Zanker Road* (4)	\$1,000,000	\$2,000,000	\$1,500,000
Arcadia (Airport) (3)	\$1,000,000	\$2,000,000	\$1,500,000
Devcon (North San Jose) (4)	\$500,000	\$1,000,000	\$750,000
America Center (4)	\$1,000,000	\$2,000,000	\$1,500,000
Carr Site (Rincon Circle) (4)	\$400,000	\$700,000	\$550,000
Potential Sales Tax Revenue Based Upon Average			<b>\$15,275,000</b>

\*Requires GP Change from IP/LI/HI

# Barriers to Retail Development

- Competing Land Uses
- Cost of Development
- Traffic, Access, circulation
- Visibility
- Site plan design
- Co-tenancy (project or area)
- Redeveloping Existing sites (lack of common ownership and associated costs)
- Lack of Sites for Larger formats
- Parking (amount and ease)
- Time frame for development

# Vibrant Neighborhood Business Districts

- Pedestrian Friendly
  - “Main Street” Ambiance
  - Strong “sense of place”
- Visually Appealing
  - Attract residents and retailers
  - Increase real estate values
- Key Issues

# What Retailers Want



Customers: Traffic, Daytime Population, Non-Retail Attractions

# What Retailers Want

- Spaces that Work
  - Retail depth
  - Variety of sizes and divisibility
  - Retail store fronts
  - Servicing
  - Venting/grease interceptor
  - Configuration

# What Retailers Want



Retail Environment: Visibility, Continuous Retail, Physically Workable

# What Retailers Want



Pulling It All Together: Anchors

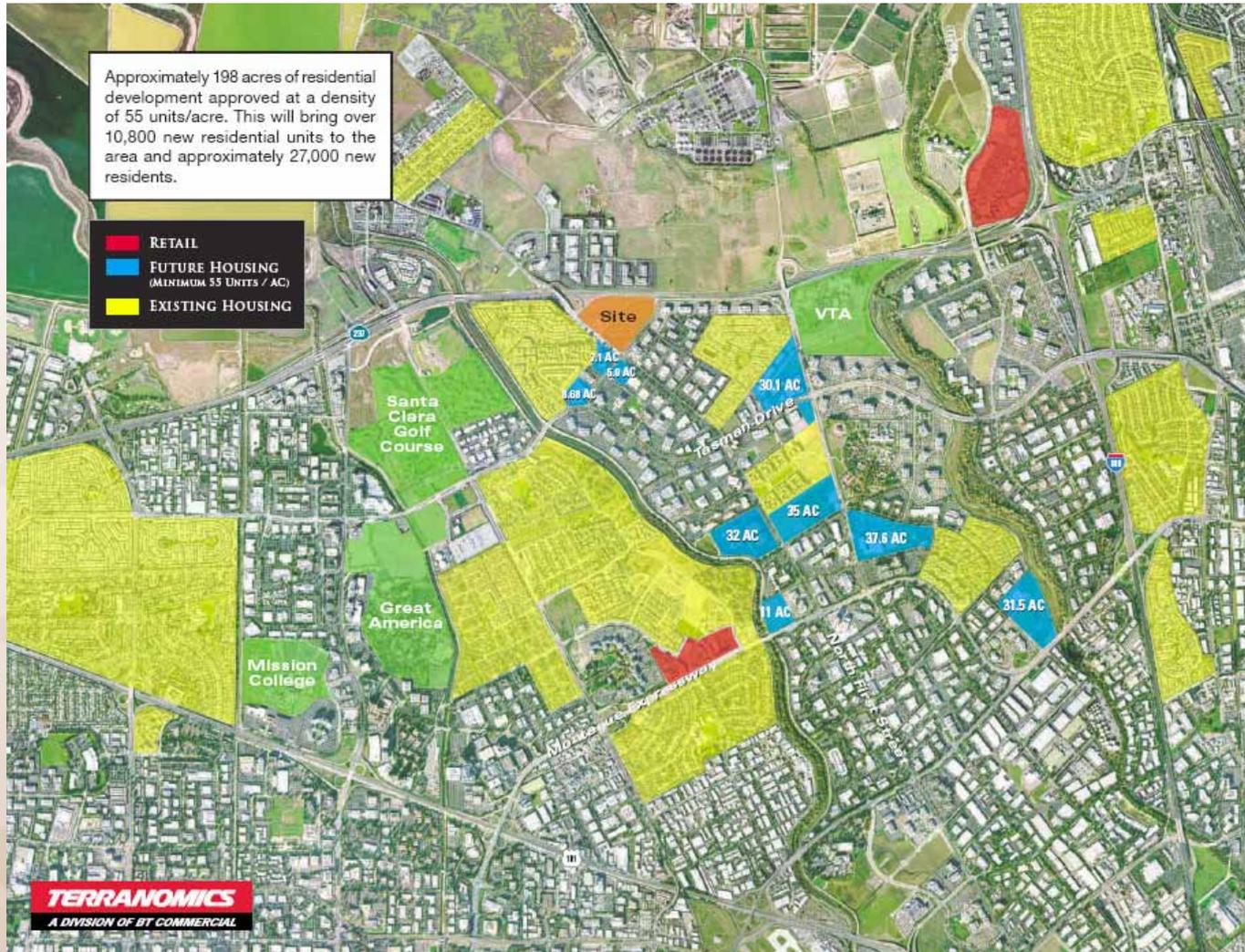
# Bringing in New Retail

- Identifying and Preparing Sites for Development
  - Costs v. Benefits
- Planning Process
- Marketing and Recruitment
  - Site to developers
  - Spaces to tenants
- Financial Structures that Work

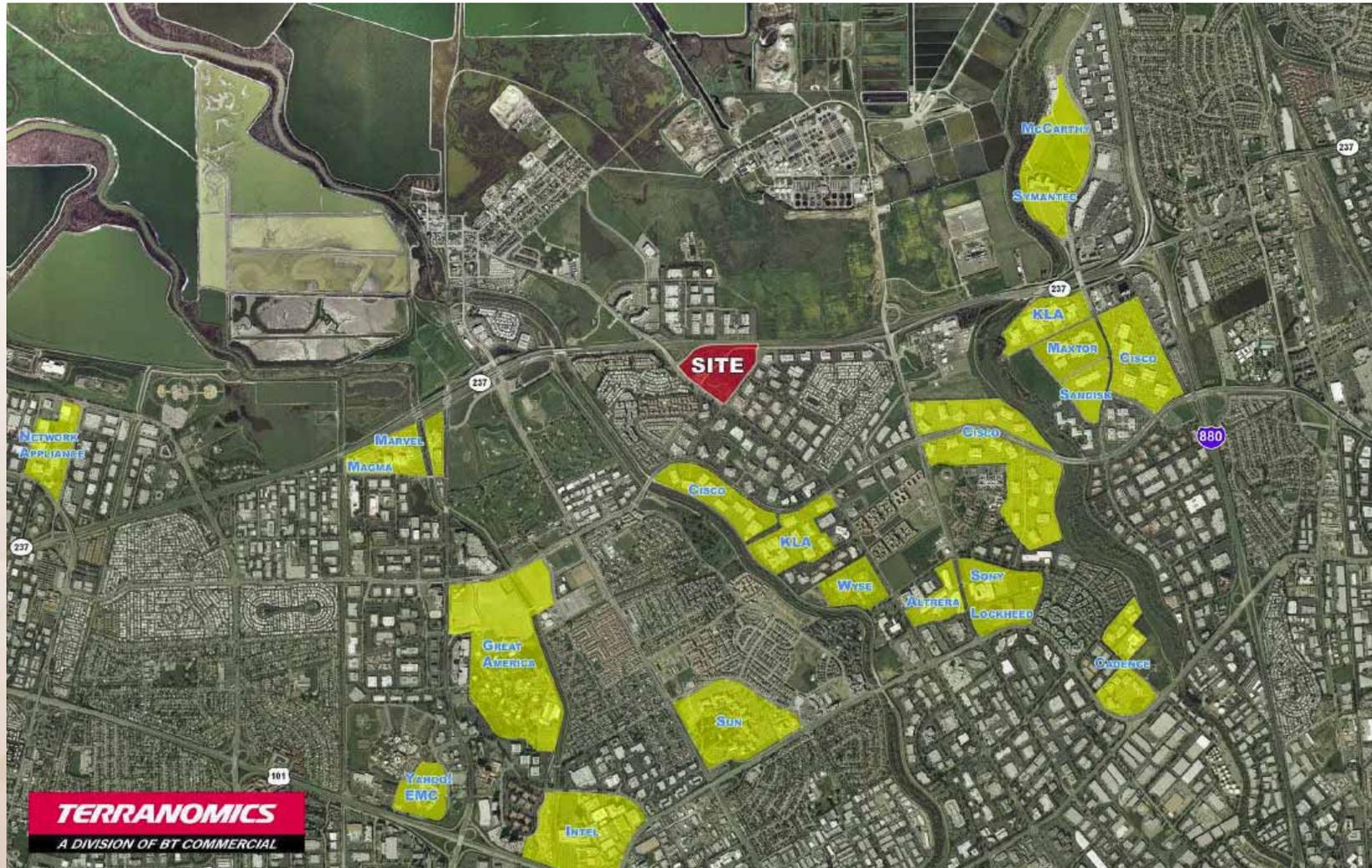
# Mixed Uses

- Planning Efforts Underway
- Horizontal and Vertical Mixed Uses
- Financial Considerations

# Case Study: @ *First*



# Case Study: @ *First*



# Case Study: @ First

