CED AGENDA: 11/26/18
ITEM: D (3)

CITY OF SAN JOSE
CAPITAL OF SILICON VALLEY

Memorandum

TO: COMMUNITY & ECONOMIC DEVELOPMENT COMMITTEE

FROM: Rosalynn Hughey
Nanci Klein

SUBJECT: SEE BELOW

DATE: November 13, 2018

Approved Kim Walesh Date Nov. 15, 2018

COUNCIL DISTRICT: Citywide

SUBJECT: CITYWIDE RETAIL OPPORTUNITY ANALYSIS AND RECOMMENDATION

RECOMMENDATION

Accept staff's report on strategies to increase overall citywide retail activity in San Jose and cross-reference the Citywide Retail Report to City Council.

BACKGROUND

The *Envision San José 2040 General Plan* (General Plan) was adopted in November 2011, and sets forth Goals and Policies requiring the City to conduct a review of the General Plan every four years. The purpose of the General Plan Four-Year Review (Four-Year Review) is to evaluate significant changes in the planning context and achievement of key General Plan goals. The first Four-Year Review was completed December 13, 2016, at which time the City Council considered recommendations from the General Plan Four-Year Review Task Force. In addition to other actions, City Council directed staff to return to Council with amendments and rezonings for retail uses, with special focus on identifying prime retail sites in retail-deficient areas of the city, such as North San José and the N. 13th Street Corridor, as specified in Item 2.d. in the April 10, 2015 memorandum from Mayor Liccardo and Councilmembers Jones and Carrasco (http://www.sanjoseca.gov/DocumentCenter/View/47765).

In May 2017, City Council accepted a report by staff on retail and amenity development in North San José and directed staff to implement the North San José Retail and Amenity Strategy. City Council subsequently approved amendments in December 2017 to the General Plan, North San José Area Development Policy, and Zoning Code to allow additional flexibility for retail and service commercial uses within the North San José Development Policy area. Staff is currently

processing a proposal for the Lumileds campus at 370 W. Trimble that would add roughly 100,000 square feet of retail and amenities uses on a portion of the site.

Furthermore, as a follow-up from the *Market Overview and Employment Lands Analysis* report prepared for the Four-Year Review (http://www.sanjoseca.gov/DocumentCenter/View/53472), staff rehired economics and land use consulting firm, Strategic Economics, to conduct a citywide data-driven retail analysis, including a contextual overview of national and local retail markets, identification of retail-deficient or opportunity areas in the City, and strategies to increase overall citywide retail activity.

At the June 25, 2018 Community & Economic Development Committee, staff and Strategic Economics presented information on national retail trends and existing retail conditions in San José. Staff worked with Strategic Economics to complete the Citywide Retail report, which is attached to this memorandum. The report includes the identification of retail-deficient or opportunity areas in the City, and strategies to increase overall citywide retail activity. Staff has outlined those strategies and other actions that could be taken to facilitate retail activity below.

ANALYSIS

For decades, cities have prized retailers within their boundaries for their sales tax generation. But a series of closures in recent years have raised alarms about the retail industry's overall health. Closures involving Toys R Us, Sears and Orchard Supply Hardware have shaken confidence in the future of this economic sector – and the impact on cities' bottom lines. In San Jose, retail sales tax is the second-largest source of general fund revenue and a major source of employment, responsible for 11 percent of jobs, or roughly 46,000 employees in 2017.

Despite challenges facing the retail sector, the attached report found that San Jose retailers are largely performing well. Most areas of the city have access to goods and services that serve daily needs. Retail employment has remained stable (and in fact has grown in recent years). Most vacant spaces have backfilled within a reasonable amount of time.

But San Jose must be proactive to facilitate retail growth in this dynamic economic sector. The marketplace is changing fast (as exemplified by the sudden closure of San Jose-based Orchard Supply), and the future is uncertain. San Jose must focus on maintaining its strengths, reacting nimbly to the inevitable disruptions in the marketplace and attracting viable retailers in the sectors that show promise.

The following illustrates the current environment in the region's retail market:

- The retail industry continues to experience change, including the rise of online shopping, the increasing importance of delivery/pickup models, an ongoing labor shortage and a shift on consumer preferences toward "experiences."

- National retail closures have recently impacted San Jose, resulting in a significant uptick in big-box vacancies. Thanks to strong demographics and its large market, San Jose is better positioned than the nation at large to backfill these spaces, but getting them occupied will take time – perhaps years -- as property owners may need to work through complex tenant dispositions that may involve complexity (such as bankruptcy proceedings).

- San Jose's consumer retail "capture" is relatively strong compared to other big California cities, but it lags smaller neighboring cities, and data suggest there remain opportunities for expansion in key traditional retail sectors and geographies within San Jose. ("Capture" is defined as the percentage of sales tax revenues achieved compared to what might be expected based on disposable income in our region.) For instance, a sales tax "gap" analysis shows opportunity for San Jose to capture greater amounts of sales related to home furnishings, sporting goods, supermarkets, certain types of restaurants, hardware and vehicle parts/repair.

- San Jose is generally well served by grocery and drugstores. However, several geographical submarkets were identified as primed for additional retail growth thanks to factors including high traffic counts, proximity to high-income populations, future residential growth, and strong existing anchors. These areas include West San Jose, the Berryessa BART market, Downtown, the Blossom Hill corridor, and the area around Highway 101 & Interstate 280.

- San Jose's malls remain relatively strong, with property owners investing substantial dollars in renovations and expansions. This is exemplified by Westfield's $1 billion expansion of Valley Fair, which will expand the mall by 650,000 square feet, including a 150,000 square feet Bloomingdale's. Still, with the industry changing rapidly, San Jose should be prepared for its malls to evolve and adapt to new trends and uses if they are to remain successful.

- Future retail demand is likely to feature new types of uses that may not sell retail goods, but still provide important services and gathering places. An example of this is visible in the growing trend of small and midsize fitness operators located in shopping centers. Retail showrooms (which show case online offerings but do not stock merchandise for sale), and online pop-ups, also represent growing trends.

- As the city continues to evolve, San Jose will see its retail growth concentrated in mixed-use contexts rather than traditional shopping centers. It is critical that projects provide these spaces where appropriate, and that the ground-floor commercial components of these spaces be built with appropriate depths, height, infrastructure, and visibility to attract retailers.

Importance of Retail to San Jose

There are four primary reasons for a city to focus on retail: First, sales tax is a major driver of revenue for the General Fund. In San Jose, it is the second-largest source of General Fund revenue after property tax, producing about $226 million in FY 2016-17. (Property tax generated about $306 million during the same period.) Second, retail provides residents with a better quality of life through access to convenient goods and services. Third, retail contributes to a sense of place by bringing people together, activating social spaces and serving as a kind of entertainment.

Finally, retail is an important source of employment, and is often a workforce entry point. Payroll data from the state's Employment Development Department showed the sector is responsible for 11 percent of City's job base: about 46,000 of 420,600 jobs within San Jose. Despite high-profile closures in recent years, the data show retail sector job levels stabilizing and even increasing somewhat. (The data predates the closure of Orchard Supply and Toys R Us, so retail employment may decline in 2018.)

Fig. 1: Retail Employment in San Jose

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Retail Jobs	40,729	39,831	40,230	41,762	44,335	45,295	45,678	45,752	45,281	45,972

San Jose's Retail Performance

San Jose added a significant amount of retail – about 6.5 million square feet -- between 2000 and 2016, representing a 21 percent increase in supply. That is larger than the increase in city population (about 13 percent). Many of these projects were "power centers" or regional shopping centers anchored by large-format retailers such as Target, Home Depot, and Costco. Centers such as @First (anchored by Target and completed in 2010), The Plant (Home Depot, Target – 2008) and Village Oaks (Target, Marshall's, Petco, Safeway -- 2014) filled large gaps in the market. This increase in supply was the result of a concerted effort by city planning and economic development staff to expand the city's retail sales tax base and better capture regional consumer dollars.

As shown in the attached report, San Jose's retail centers today are performing well or in line with expectations. Data from Muni Services, the city's municipal sales tax advisor, show that San Jose captures 97 percent of its estimated potential consumer sales tax – a respectable rate when compared to other large cities in California, but one that could still be improved. ("Capture" refers to the estimated potential consumer sales tax from a city's residents when following a region's buying patterns and factoring in disposable income.) This is partly a result of San Jose's strong regional position in certain retail categories, such as department stores, auto sales and building materials.

Figure 2: Consumer-driven sales tax capture rates for 12 largest Calif. Cities (Q4 2017)

City	Sales Tax Capture Rate (%)
Long Beach	66%
Sacramento	73%
Bakersfield	78%
Los Angeles	82%
Oakland	85%
Fresno	89%
San Diego	92%
San Francisco	94%
San Jose	97%
Riverside	104%
Santa Ana	143%
Anaheim	156%

Source: MuniServices

Compared to smaller neighboring cities, however, San Jose lags, suggesting that these municipalities are capturing shoppers from outside their borders. This trend is most visible in a city like like East Palo Alto, which has a very small residential base (30,000) and a relatedly large retail portfolio – and is therefore not a realistic model for a city as large as San Jose.

Figure 3: Consumer Driven Sales Tax Capture for Local Cities (Q4 2017)

City	Sales Tax Capture Rate (%)
San Jose	97%
Palo Alto	105%
Santa Clara	133%
Redwood City	138%
Hayward	155%
Newark	159%
Milpitas	170%
East Palo Alto	177%

The differences among local cities on a sales tax per-capita basis are more significant. San Jose produces less than half of the total sales tax per capita (including business-to-business and car sales) as Santa Clara. When looking at only general retail sales, the differences are less pronounced among some of these cities but San Jose still lags behind most of them.

Figure 4: Differences in Annual Per-Capita Sales Tax (Q4 2017)

City	Total Sales Tax	General Retail Sales Tax*
Cupertino	$471	$30
Santa Clara	$376	$45
Palo Alto	$359	$118
Milpitas	$307	$118
Gilroy	$282	$109
Campbell	$224	$55
Mountain View	$207	$57
Sunnyvale	$169	$27
California	$154	$42
San Jose	$145	$38

* General retail includes apparel, department stores, furniture, sporting goods, specialty stores, etc. Total sales tax includes general retail, food, transportation, business to business and construction. Source: MuniServices

Since 2010, San Jose has improved its general retail capture rate by about 5 percent (Fig. 5). Each 1% change represents about $1 million in annual revenue to the city, or $100 million in taxable sales, according to Muni Services. This change correlates not only with the improvement in the economy, but also the completion and maturation of several large power centers that came online during this period, as seen in Figure 6.

Figure 5: Change in San Jose Sales Tax Capture Rate, 2010-2017

Sales Tax Category	Capture 2010	Capture 2017	Change in Capture	% of Total Gross Sales Tax
General Retail *Ex.: Apparel, department stores, furniture*	93%	98%	5%	26%
Transportation *Auto sales, service stations*	110%	104%	-6%	23%
Business to Business *Office equipment, business services, heavy industry*	118%	99%	-19%	20%
Food Products *Restaurants, grocery*	80%	80%	0%	18%
Construction *Building materials*	107%	117%	10%	12%
Miscellaneous *Health services*	65%	68%	9%	1%

Source: MuniServices

Figure 6: Large Retail Center Development, 2006-2016

Center	Sq Ft	Anchors	Area	Year Complete
San Jose Market Center	360,000	Target, Michaels, Office Depot, Marshalls	Airport	2006
The Plant	650,000	Target, Home Depot	Central San Jose	2008
At First	229,000	Target	North San Jose	2010
Coleman Landing	250,000	Lowes, LA Fitness	Downtown	2013
Village Oaks	320,000	Target, Petco, Safeway	South San Jose	2014
Sun Garden Center	260,000	Walmart	Central San Jose	2015
Sprouts @ Brokaw	145,000	Sprouts, Ross, HomeGoods	North San Jose	2015
Almaden Ranch	350,000	Bass Pro Shops, Ulta	South San Jose	2016
Costco	150,000	Costco	South San Jose	2016

Future Retail Center Growth

San Jose's traditional shopping center market is unlikely to continue to grow at a similar rate from the last decade, and the future supply of retail space will likely occur in mixed-use settings. But several traditional centers are in the planning phase (Fig. 7). Market Place is likely to break ground relatively soon after signing Safeway as its anchor tenant. The outlook for Evergreen Circle and for Shops @ Terra is less certain. In addition, Westfield is under construction on a 650,000 square foot expansion to Valley Fair, including a 150,000 square foot Bloomingdale's. The $1 billion investment will reinforce the mall's position as the South Bay's leading retail center.

Figure 7: Future Retail Center Pipeline

Center Name	Square Feet	Anchor	Neighborhood
Market Place at Market Park	101,000	Safeway	Berryessa
Evergreen Circle	365,000	TBD	Southeast
Shops @ Terra	110,000	TBD	North San Jose
Westfield Valley Fair Expansion (under construction)	650,000	Bloomingdale's	West San Jose

Transition of Existing Spaces

Because of recent closures, San Jose will be faced with backfilling a substantial amount of available big-box retail space in the near term. These closures include six Orchard Supply stores totaling roughly 265,000 square feet; four Toys R Us and Babies R Us stores (two each) totaling roughly 130,000 square feet; and a Lowes totaling roughly 170,000 square feet. This totals about 565,000 square feet of big-box space. Because of this, staff's retail efforts in the short term are best focused on repurposing these existing retail vacancies for new tenants and uses rather than planning for large new traditional shopping centers.

These closures are troubling, but San Jose is a large market. Prior to these closures, San Jose had roughly 623,000 square feet vacant of medium-to-large-format retail space (35,000 square feet and up), for a vacancy rate of 3.4 percent. Adding the recent closures into this pool increase the vacancy rate to roughly 6.5 percent. (Overall, the additional vacancy would bump up the city's vacancy rate for all sizes of retail space from 3.1 percent to 4.8 percent, still a relatively low number.)

In many cases, backfilling these spaces will take significant time. A bankruptcy case or an existing lease can make it difficult for a landlord to regain control of a space and sign a new lease. Some positive signs for the San Jose market are evident. The City recently approved a development permit for a large home-furnishings retailer to occupy a large portion of a former Sears store at Oakridge Mall. Most of San Jose's big-box vacancies are located in desirable trade areas. Still, retail brokers report there are fewer large-box retailers currently in the market than there were a few years ago.

Underserved Retail Categories

Sales tax experts including Muni Services call for tempered expectations when it comes to future sales tax growth. Consumer dollars are shifting toward "experiential" purchases that are not taxable, such as entertainment and services. Many of the recent, most active retailers – such as fitness users – are not sales tax generators. Non-retail (and non-taxable) uses – such as health care clinics and tutoring centers – are increasingly occupying spaces in retail centers. This trend does not mean retail is any less important. The definition of "retail" may shift, but it remains an important element for community building and public life.

Despite the shift toward non-taxable entertainment and services, retail will remain important for the city's budget, and there are still opportunities to increase certain types of taxable retail. While San Jose performs well overall in terms of retail sales tax capture, data from the city's sales tax advisor suggests San Jose may be losing out on some sales tax revenue to other cities in several categories. These include home furnishings, where San Jose could potentially generate $1.1 million in additional sales tax; certain types of restaurants ($4.1 million), and food markets ($1.4 million). Staff could focus retail outreach efforts on these retailers, concentrating its message on the potential sales growth that could be achieved in the San Jose market.

Areas for future growth

The attached report found seven areas where retail activity could increase. This could be through the addition of new retail space or the re-tenanting/redevelopment of existing spaces with more productive uses. The areas include the Downtown (the subject of a separate retail study currently under way); the Winchester Boulevard Urban Village; the Berryessa BART Urban Village area; and the area around the intersection of Highway 101 and I-280. The report also found additional retail could be supported in the areas around Westfield Oakridge; Brokaw and Oakland Road; and the area around Cottle Road and Highway 85. These areas were identified as growth candidates because of their position on major roadways or highways, strong existing retail anchors, or future planned growth.

Strategies for Increasing Retail Activity

The proposed retail strategies identified in the attached report and in this memorandum take a multi-pronged approach to facilitate retail growth and success in San Jose. The report identified several specific opportunity geographies for retail expansion. However, staff is not recommending City-initiated General Plan Amendments or rezonings to individual properties at this time because most sites within these opportunity areas already have General Plan land use designations and are in Zoning Districts that would allow the expansion of retail uses.

Although the City's most significant tool is its regulatory control, San Jose may also exercise "softer" influences that aim to build interest in the City as a market, connect property owners and brokers with interested tenants and ease the process of doing business in the city. The following strategies build on those in the attached report and should be read in conjunction.

1. Develop San Jose retail marketing collateral and keep it updated on an annual schedule.

San Jose has a positive message involving planned residential and job growth, transit investment, existing demographics, and unique Bay Area neighborhoods. San Jose is planning for 120,000 new households and 380,000 new jobs by 2040, most which will be located north of Highway 280 based on the Envision 2040 General Plan Growth Areas. This population/employment increase represents an opportunity for retailers to understand how and where San Jose is changing, and what this could mean for future investment opportunities.

Most retailers have access to ubiquitous statistical information on cities, so staff should provide information that is not commonly available and frequently changing, such as upcoming public investments, planning applications, transportation and impactful policy work.

Actions to achieve this goal:

- Create flyers on San Jose's retail market(s) and distribute them to local brokers.

- Meet with successful retail owners, developers and brokers to gather stories for marketing materials and blog posts.
- Maintain a retail-industry landing page on the SJ Economy website with easy-to-find information on San Jose's development and construction pipeline.
- Using data on underserved sectors, concentrate outreach efforts on retailers in these sectors.

Lead Department: Office of Economic Development

2. Redouble outreach efforts through industry events.

In-person networking and meetings are often still how deals get done – or started. They're also key to staying on top of industry trends and new tenants in the market. City staff should be encouraged to attend and participate in retail-focused conferences to represent the city's retail market to a wider audience.

Actions to achieve this goal:

- Make plans to attend International Council of Shopping Center regional events (such as Monterey Dealmaking in March) and national events (such as ReCon in May).
- Host workshops or roundtables with industry experts on important themes or trends.
- Consider hiring dedicated staff to work on retail recruitment and facilitation.

Lead Department: Office of Economic Development

3. Proactively plan for big-box store closures

For decades, big-box retail was the driving force in retail, with "category killers" focusing on specific retail sectors. In recent years, though, several big-box retail chains have closed, and this trend is expected to continue. Work2Future, San Jose's workforce development arm, responds to mass-layoff events through its rapid response team, which focuses on placing laid-off workers in more stable positions. City staff should also have a rapid response plan, while actively planning for future transition in the big-box industry.

Actions to achieve this goal:

- Maintain a constantly updated online database of big-box vacancies that include all information a tenant or developer must know at a glance (zoning, contacts, features, etc.). This database could include a "watch list" of box stores that may be at risk of closing in the future, with all pertinent data included.
- With large tenants in increasingly short supply, property owners may need to subdivide space to attract smaller users. PBCE staff should be available to consult with property owners on their options and requirements related to retail building retrofits.

Lead Department: Office of Economic Development; Planning, Building and Code Enforcement

4. Form and maintain relationships with key big-box retailers.

It's important that large, out-of-town retailers are aware of "the San Jose story" – its growth trajectory, market strengths and trends. San Jose should form connections at the corporate level to ensure these retailers know that San Jose's market is constantly growing and improving, as well as what new opportunities may be arising.

Actions to achieve this goal:

- Set up outreach visits with store managers of the city's largest retailers to understand current issues and opportunities.
- Meet with store development staff for San Jose's largest retailers (Target, Costco, Walmart) to provide personalized updates on San Jose's retail growth story and hear issues and concerns.

Lead Department: Office of Economic Development, City Council offices as appropriate

5. Assist smaller retailers with space needs and services.

Small, mom-and-pop retailers provide a critical segment of the retail market and what makes San Jose unique, especially in the city's Neighborhood Business Districts. An example of the city's support for this sector is the San Jose Moment public-private project, which provides space in the city-owned San Pedro Garage for small pop-up retailers that are managed by the San Jose Downtown Association and San Jose Made. The Small Business Ally positions in PBCE are also key to helping small businesses get up and running.

Actions to achieve this goal:

- Continue to fund the Storefronts Grants program, which provides mom-and-pop retailers going into vacant spaces up to $15,000 to offset city fees and taxes, or $10,000 for small business owners to spruce up their existing storefronts.
- Convene small retail leaders to connect and collaborate on creative marketing techniques and problem-solving.
- Promote local retailers through blog posts.
- Explore provisions in the zoning code that encourage non-formula retail. For instance, in Urban Villages, a developer could meet the amenity requirement by including deed-restricted commercial space for non-formula retail.
- Work with retailers and the San Jose Downtown Association rotating out of the Moment shops pop-up project to find permanent space, or additional temporary space.
- Provide concierge assistance to small retailers when it comes to business development strategies, site selection/relocation or permitting. (The city's existing Small Business Ally program is a key facilitator for permitting assistance.)

Lead Department: Office of Economic Development, Planning, Building and Code Enforcement, Council offices as appropriate

6. Future and evolving entertainment/services uses.

As retail trends more toward entertainment and experience, the City should be ready to facilitate certain uses in commercial zoning districts that may not easily fit into the traditional retail box. For instance, recent regional arrivals include Topgolf, an outdoor golf-like game with on-site bar/restaurant; video game lounges; indoor skydiving; Amazon pick-up stations; walk-in health clinics; "escape rooms"; video arcade/lounges; and storefront auto showrooms. Some of these uses may currently require conditional use permits or be prohibited in commercial zoning districts, but the City should consider how to remain open to future uses.

Actions to achieve this goal:

- Convene retail experts to analyze allowed and conditional uses under the zoning code, assessing them for current and future relevance

Lead Department: Office of Economic Development; Planning, Building and Code Enforcement

7. Study Sign Code updates to support retail.

Signs are important for retailers, including how many are allowed, how big they can be, and how visible they are from the street, and can play an important role in retail site-selection decisions. Retail representatives have expressed that they have had challenges with San Jose's Sign Code. As a start, the city could study where to add flexibility in the sign code for shopping centers – for instance, increasing sign message area for freestanding signs.

Actions to achieve this goal:

- Convene local retail experts to understand contemporary sign needs and how they fit in with San Jose's current sign code.
- Assess whether it is time to update the city's Visual Sign Guide of illustrative graphics, last revised in 2011.

Lead Department: Planning, Building and Code Enforcement

8. Assess retail/commercial spaces for viability when approving mixed-use proposals.

Some mixed-use residential developers may not be experienced with retailer-specific real estate needs, leading to suboptimal tenant spaces. In these cases, San Jose should provide clear design guidelines regarding minimum standards for bay depths, floor to ceiling heights, loading infrastructure, venting, etc.

Actions to achieve this goal:

- A basic checklist is being prepared as part of the Downtown Retail Strategy, currently underway.

Lead Department: Planning, Building and Code Enforcement, Office of Economic Development

9. Coordinate closely with mall owners on forward planning.

Given the transition in the retail industry, mall owners are looking at all options to reinvent themselves, including adding housing, entertainment, hotels and office. San Jose is home to four regional malls in varying market positions and geographical contexts. These malls all face some exposure to anchor tenants whose future is uncertain. One of these malls, Eastridge, is in an Opportunity Zone, which may provide a kick-start to investment possibilities. City staff should remain in close contact with mall owners to stay abreast of trends, opportunities, and options in terms of new development and uses.

Actions to achieve this goal:

- Schedule meetings with owners of Oakridge, Westfield, Westgate, Eastridge and Santana Row on a quarterly basis. Planning staff should attend these meetings as topics of future development are likely. Include the San Jose Police Department as necessary to address ongoing concerns.

Lead Department: Office of Economic Development, Planning, Building and Code Enforcement, City Council offices and Mayor's staff

10. Identify San Jose's best undeveloped (or underdeveloped) retail corners.

Many of San Jose's best retail sites are already developed. But in an evolving, dynamic city, new opportunities may arise. While the attached study identifies several sub-areas that could support additional retail, a detailed site assessment of major corridors and freeway offramps should be conducted, and the city should consider reserving the best opportunity sites for retail-only uses if appropriate. (For instance, the Moitozo orchard at North First Street and River Oaks Parkway has excellent visibility and traffic and should contain a substantial retail component as part of any development proposal.)

Actions to achieve this goal:

- Perform a detailed assessment of every freeway off-ramp in San Jose for potential retail site opportunities, and consider pre-zoning if necessary.
- Use Department of Transportation traffic-count data to examine retail opportunities at high-traffic corners, and potentially reserve certain sites for retail-only uses.

Proposed Six-Month Work Plan

San Jose's retail strategy needs to be a long-range effort, but the following actions represent near-term opportunities:

- Produce an updated retail one-page flyer and retail copy for the SJEconomy website.
- Produce one blog post per month featuring a San Jose retailer success story.
- Market existing and upcoming big-box vacancies to expanding regional and national users, and meet with property owners to understand specific issues related to these vacancies and how the city can assist in the permitting process.

- Undertake an inventory of underused retail sites at major corners to identify areas for new development or redevelopment.
- Attend the International Council of Shopping Center's Monterey conference in March.
- Identify top target sectors and specific users within those sectors for additional outreach.
- Host a workshop/roundtable with local retail brokers to understand issues, concerns and trends.
- Host outreach meetings with owners/managers of each of San Jose's main malls.
- Finalize a mixed-use commercial space checklist for new development

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For questions, please contact Jared Hart, Supervising Planner, at (408) 535-7896.

Attachment
Citywide Retail Report