



COUNCIL AGENDA: 3/12/2019
FILE: 19-045
ITEM: 4.1

Memorandum

TO: CITY COUNCIL

FROM: Councilwoman Sylvia Arenas

SUBJECT: SEE BELOW

DATE: March 11, 2019

Approved

Date

3-11-19

SUBJECT: 4.1 CITYWIDE RETAIL OPPORTUNITY ANALYSIS AND RECOMMENDATIONS

RECOMMENDATION

- 1) Update Strategy 4 to include high-volume expressways and major transit centers, not just highways
- 2) Apply the Downtown Retail Strategy of addressing “daily needs retail” to the entire city’s daily needs retail deserts.
- 3) Add an additional strategy that would assess the retail needs of the regions of the city currently still under Level of Service (LOS) based Development Policy Areas – such as Evergreen East Hills – and compile that information in a way that could help inform the transition from LOS to Vehicle Miles Traveled (VMT) in those Development Policy Areas and a general update of these policies.
- 4) Update Strategy 2 to include Reid Hillview Airport as a County property with long range retail potential that would benefit from the City’s Office of Economic Development planning with the County.

BACKGROUND

I appreciate the hard work that the Office of Economic Development and the Planning, Building, and Code Enforcement Departments have put into this important subject, as well as the consulting staff who have delved so deeply into how we can increase our sales tax revenues.

I have a series of recommendations designed to ensure that all of San Jose neighborhoods benefit from the strategies that come from this work – specifically the neighborhoods that do not benefit from the Downtown or North San Jose specific work.

Neighborhoods outside of our main business districts have very real needs, and those needs must find a home in the strategies we take forward. I welcome staff's future work and my colleagues' suggestions. I believe there's more work that needs to be done to broaden the reach and impact of this work.

I have four suggestions that move the needle forward for neighborhoods like mine:

1) Update Strategy 4 to include high-volume expressways and major transit centers, not just highways.

Many expressways in our region easily rival the size of highways in both capacity and traffic count. In many parts of our city, the expressway is the key transportation and commercial corridor. Strategy 4 smartly focuses work on supporting retail development at freeway exits. Let's take that strategy and add key high traffic sites along our expressways. And let's include our biggest transit centers as part of the citywide strategy while we're at it!

2) Apply the Downtown Retail Strategy of addressing "daily needs retail" to the entire city's "daily needs retail" deserts.

Too many neighborhoods in San Jose struggle with access to easily purchase their basic needs while they rush through their busy day. Both the Downtown and Citywide Retail studies identified and studied this problem. These needs are city-wide – as we have seen in the reports. In fact, this issue has been referred to as being one of the original motivations for the city-wide study being issued.

For example, the East Side and Evergreen area does not have "daily needs retailers" within easy walking distance and is not prepared to serve the increasing commuter route with the light rail expansion and future BART Regional Connector at the Eastridge Transit Center.

3) Add an additional strategy that would assess the retail needs of the regions of the city currently still under LOS based Development Policy Areas – such as Evergreen East Hills – and compile that information in a way that could help inform the transition from LOS to VMT in those Development Policy Areas and the update of these policies generally.

In 2005, before the current Evergreen East Hills Development Policy (EEHDP) was put into effect, the city commissioned a retail study for the area. As these LOS based policies reach their end of useful life, the city will be faced with how to transition these regions to VMT. This work will not be easy, as these neighborhoods are those that are most impacted by traffic related environmental issues.

As we move forward, we must have clear eyes about the end game benefit to doing the hard work of successfully updating these policies. The EEHDP alone encompasses all of District 8, but also large amounts of District 5 and District 7 – including most of the East Side except the Alum Rock corridor.

There is no way to talk about retail strategies for these communities without looking at the effect that running out of commercial capacity this year or next will have on our ability to meet residents' needs. At the same time, we will need clear-eyed assessments of their needs to successfully update the policies.

4) Update Strategy 2 to include Reid Hillview Airport as a County property with long range retail potential that would benefit from the city's Office of Economic Development engaging with the County.

Over the last few years, Santa Clara County's Board of Supervisors has doubled-down on their effort to increase commercial capacity at Reid Hillview Airport. This could potentially include closing the airport in about 13 years, but it also has included discussions of additional commercial development along the Capital Expressway. Either way, if Hillview Airport will have new commercial developed, it would be important for the city to be part of the discussion. Strategy 2 deals with working with the County, and I would request adding Hillview Airport to that strategy.