



City of San Carlos 600 ELM STREET, SAN CARLOS, CA 94070

Economic Development Plan

July 31, 2007



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Note: RSG is responsible for the final version of this report dated July 31, 2007. All changes after this date are done without our knowledge.

EXECUTIVE SUMMARY

This Economic Development Plan (“Plan”) provides a business plan for the City of San Carlos (“City”) that will guide the City’s investment in economic development initiatives. These initiatives are designed to remove impediments to business development and growth. By improving the community’s business climate, the City will enhance its municipal revenues thus ensuring continued or enhanced municipal services. This Plan includes background data, implementation policies, and implementation initiatives. In order to be effective, this Plan must be updated annually.

The core of this Plan is the implementation element, which details initiatives to be undertaken over the next three years. The initiatives target specific development opportunities and the pursuit of site-specific projects. Implementing these initiatives will require City leadership. Furthermore, it will require the City to embrace a proactive stance wherein the City will focus staff time and financial resources on: (a) working with property and business owners to identify economic development opportunities, (b) assessing how all participants may capitalize on those opportunities, and (c) subsequently working with property and business owners to make these opportunities come to fruition.

This Plan focuses on five topic areas: Improving City Economic Development Operations, the Downtown, the El Camino Real Corridor, the East Side, and the Harbor Industrial Area. The objectives for each of these topics are listed below.

OPERATIONAL OBJECTIVES

1. Improve partnerships
2. Address infrastructure needs
3. Identify opportunities for funding assistance
4. Provide resources to small business owners
5. Become a "Green City"
6. Improve staff interaction with existing and prospective business owners
7. Update zoning code

DOWNTOWN OBJECTIVES

1. Activate Wheeler Plaza
2. Activate Bell Market Site
3. Draw people from El Camino to the Downtown
4. Determine and encourage the best uses for Downtown

EI CAMINO REAL CORRIDOR OBJECTIVES

1. Utilize Railroad Property as catalyst site
2. Implement landscape and design concept for corridor
3. Determine and encourage the best uses for El Camino

EAST SIDE OBJECTIVES

1. Recruit mid to large plate retail
2. Recruit research and development / bio-tech industries
3. Preserve light industrial / research and development uses
4. Develop landmark hotel

HARBOR INDUSTRIAL AREA OBJECTIVES

1. Engage the Harbor Industrial Association
2. Preserve light industrial and flex-space land
3. Recruit research & development / bio-tech industries

San Carlos Economic Development Advisory Commission

The San Carlos Economic Development Advisory Commission (“EDAC”) was instrumental in the development of this Plan. Throughout this process, the EDAC assisted particularly with public outreach, and hosted the community meeting held for the Plan on February 28, 2007. During the time period in which the Plan was written, EDAC members also familiarized themselves with the current budget shortage, which has resulted in elimination of vacant positions and increases in certain fees over the last several years. This knowledge has made the EDAC keenly aware of the importance of increasing city revenues.

Following the delivery of the draft Plan, EDAC meetings were held on May 9, 2007 and May 16, 2007 to discuss the objectives and strategies presented. On May 9th, following a presentation by RSG, EDAC members asked questions about the Plan, and agreed to select five objectives to recommend to the City Council. Though each member ranked his or her preferences individually after the meeting, five objectives clearly rose to the top. The individual results were compiled and discussed on May 16th, with each EDAC member presenting their thoughts on their prioritization of objectives. The top five Objectives are listed below.

- Recruit Large to Mid Plate Retail (East Side Objective No. 1)
- Activate Bell Market Site (Downtown Objective No. 2)
- Utilize SamTrans Development as Catalyst Site (El Camino Real Objective No. 1)
- Activate Wheeler Plaza (Downtown Objective No. 1)
- Develop Landmark Hotel (East Side Objective No. 4)

The individual priorities of each EDAC member are contained in Appendix J.

San Carlos City Council Discussion and Priorities

The Plan was brought before the San Carlos City Council on June 25, 2007. RSG presented the Plan with the help of city staff and Scot Marsters, president of EDAC. The topic sparked approximately three hours of discussion, during which the Council asked questions of staff, EDAC, and RSG, and also heard from members of the public.

A short presentation was made by two local developers regarding the role mixed use projects may play in the City's future. The developers concurred with EDAC's recommendation that mixed use be considered a viable development option in all areas of the city. The Community Development Director suggested that the location of Mixed Use developments might be a more appropriate discussion for the upcoming General Plan process than the Economic Development Plan. This led to a brief discussion on the impending General Plan update and the functions that land use planning documents may have in economic development. It followed then in the evening's dialogue that particular attention was paid to how the Plan functions in relation to other City documents, as well as the EDAC priorities, and the magnitude of redeveloping Wheeler Plaza.

The Council adopted the Plan, asking that certain changes be incorporated in the document to reflect the evening's discussion. Specifically, language regarding Wheeler Plaza was revised to include consideration for a pedestrian plaza / town center. With regard to other documents and city services, the Public Works and Parks and Recreation Departments were added to the discussion of city staff; and the importance of synchronization between this Plan and other planning documents, such as the General Plan and master plans for parks, watersheds or flood control, was added to the text. The Council also wished to stress the importance of recruiting viable businesses to all areas of the city. Finally, the Council expressed support for the EDAC priorities, but asked that the numbering be removed to show that all five strategies were valuable and did not necessarily need to reflect an order of priority.

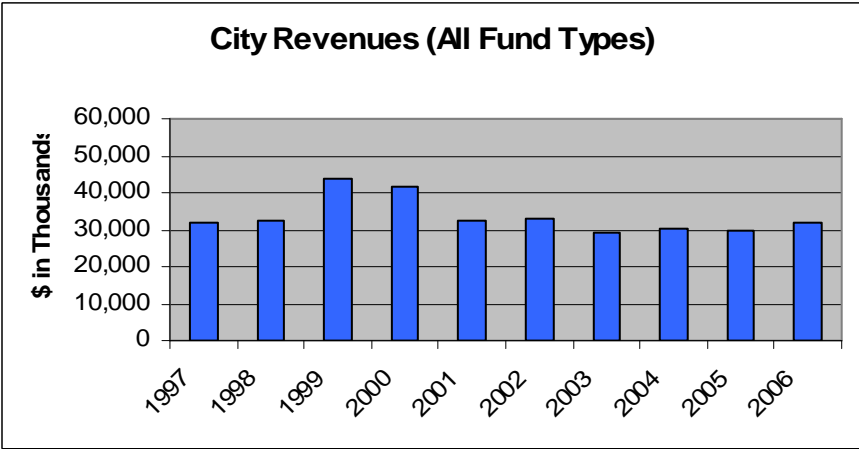
Council Priorities

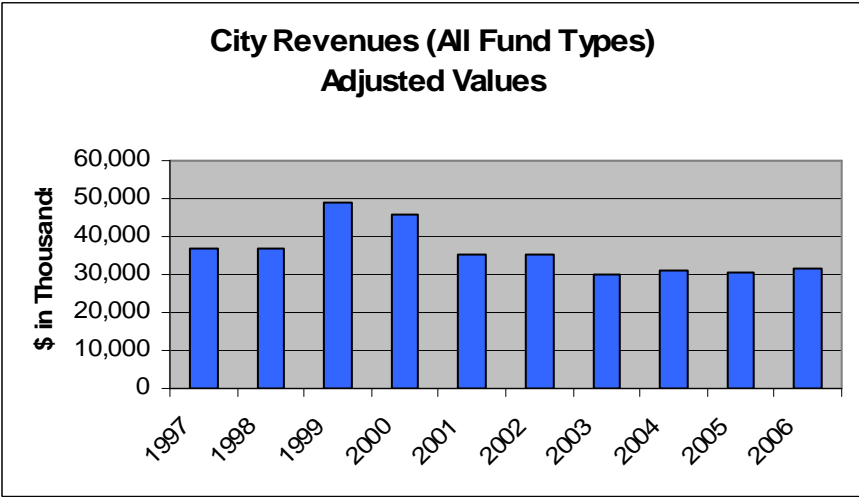
- Activate Bell Market Site
- Utilize SamTrans Development as Catalyst Site
- Activate Wheeler Plaza
- Develop Landmark Hotel
- Recruit Large to Mid Plate Retail

INTRODUCTION AND BACKGROUND

In recent years, the City’s General Fund has faced stable revenues but increasing costs creating recurring deficits. These deficits are a result of several factors, including increasing expenditures for public safety operations, and changes to the regional economy in the early part of the decade. In the short term, reductions in department spending (and elimination of positions) are being implemented to mitigate this deficit. However, these short-term reductions only address the present crisis, and are not expected to avert reoccurring deficits in the future. As such, the City will need to find means to increase municipal revenues through retention, diversification, and growth of the local economic base. The Plan is aimed at achieving this long-term goal.

The following charts illustrate the City’s gross revenues over the past ten years, based on the City’s Comprehensive Annual Financial Report. The first chart presents the information in annual values. The second chart has been adjusted using the gross domestic product implicit price deflator to present the values in 2005 dollars with the exception of the 2006 figure. The implicit price deflator is one tool used to compare money of past years to “current dollars”. The conversion figure for 2006 dollars has not yet been finalized. Though municipal service costs have grown dramatically in the last decade, municipal revenues are at the same level they were ten years ago in actual dollars, and less than ten years ago when inflation is factored in.





Economic Development

Economic development is a dynamic, ever-changing endeavor that must constantly accommodate the evolving characteristics of the market place. The economic development process is neither exact nor fully predictable, and is more of an art than a science. However, the result is the deliberate, judicious intervention in the local economy to foster a business climate that facilitates private investment. Like any business, the City must continually balance the allocation of financial resources between service costs and infrastructure investment. Essentially, this business plan for the City will identify economic development strategies that may be subsequently funded through the annual City or City of San Carlos Redevelopment Agency (“Agency”) Capital and Operations budgets.

According to the California Association for Local Economic Development (CALED), economic development is “an investment program designed to leverage private sector capital in such a way as to induce actions that have a positive effect on the levels of: business activity, employment, income distribution, and the fiscal solvency of the community.” For the City, this means leveraging land, housing supply, transportation, and quality of place to generate economic growth in the form of increased property and sales tax revenues, wage creation, new jobs, and increased consumer spending. Additionally, all of these efforts must consider the community’s commitment to environmental responsibility.

Thus, the mission of economic development is to actively support the development and expansion of existing businesses, and to proactively recruit quality revenue-generating uses that diversify and expand the City’s economic base, offer a variety of products and services, increase employment opportunities, enhance City and Agency fiscal resources, preserve and enhance the unique environment, and contribute to the quality of life for San Carlos residents.

The Plan Process

In early 2006, the City commissioned a Market Study by Economics Research Associates (“ERA”) to outline the potential market share of commercial land uses San Carlos could reasonably expect to capture in the coming years. The study found there was great potential for San Carlos to increase both its retail, light industrial, hotel and office uses in the next 20 years. Given that San Carlos is generally a built-out city, capturing these uses will require the redevelopment of land. To build upon the potential described in the Market Study, the City contracted with Rosenow Spevacek Group (“RSG”) for this Plan.

Public outreach was a large component of the Plan. In addition to one-on-one interviews and focus group discussions with community members, RSG also conducted a community meeting and survey. The community meeting was held February 28, 2007 at the San Carlos Library and had approximately 80 attendees. The survey was then constructed based on input received at the meeting. The survey was available online and in paper format and had just under 950 respondents over a three week period. Survey results and meeting notes from February 28th can be found in Appendix D. The remaining input for the Plan weighs heavily on research including investigation of the City and Agency’s assets, the current zoning and specific plan land use standards, and an understanding of the opportunities at hand. The City Council, city staff, the Chamber, and the EDAC provided constant support for these efforts.

Opportunities in San Carlos

San Carlos has picked a fortuitous time to adopt an economic development plan. Changing land use patterns within the city, Silicon Valley, and the greater Bay Area provide the setting for an evolving economy. The City has the opportunity to meet some of the changing demands in Silicon Valley and the Bay Area. With some land currently ripe for reuse, it is perfectly positioned to implement catalyst projects and bring new life to the San Carlos business community. Despite great potential, economic development must be nurtured and guided. The Plan presented here offers strategies to take advantage of the opportunities at hand to both increase City revenues, and to reflect the desires that surfaced through public outreach.

Most importantly, this Plan is intended to be a wake up call. San Carlos is a unique and wonderful community, as evidenced by the amount of residents, city staff members, and community groups who participated in the development of this Plan. Previous economic development plans and surveys have ended up as shelf plans, lacking the manpower and the will to see them implemented. San Carlos can no longer afford to take a reactive position to the business community. Preserving the quality of place will come at a price however – primarily long term hard work on the part of city staff and community volunteers. Without initiative and guidance, future changes within the business community in San Carlos could be unwieldy and imprudent.

In broad terms, the goals of this Plan are:

1. To make San Carlos a business-friendly city capable of attracting, retaining, and improving a variety of businesses; and
2. To position San Carlos to proactively influence land reuse decisions to create sustainable economic growth.

The subsequent objectives and strategies outlined in the Plan are designed to build upon the City's existing strengths and desires with respect to the capabilities forecast by ERA in their 2006 Market Study. Throughout the sections of this Plan, recurring themes and strategies will become apparent. This is intentional, as issues facing communities today do not fit neatly into isolated packages, but are instead a part of the organic whole that is the city at large.

Structure of the Plan

The purpose of the Plan is to present actionable items for the City to pursue. Therefore, this Plan focuses on implementation. Specific objectives and strategies are provided for the following five topics: the first topic is an overarching subject of City operations and policies; and the remaining four topics are the geographic areas of the Downtown, the El Camino Real Corridor, the East Side, and the Harbor Industrial Area ("HIA"). Additional information and supporting data is provided in the Appendices, though some is woven into the Plan text itself.

It should be noted that of the five topics, this Plan focuses primarily on operational improvements, the Downtown, and the El Camino Real Corridor. This is not meant to discount the East Side or HIA in any manner. However, operational modifications are a vital first step in any economic development process; and important, immediate opportunities are currently presenting themselves in the Downtown and El Camino Corridor, requiring direct attention. The strategies presented for each of the topics are categorized as first year strategies or three year strategies. Thus, the Plan is aligned with the City Strategic Plan that has a three year outlook. It is expected that the City will revisit this Plan annually, and updated it accordingly. As progress is made in the Downtown and El Camino Corridor, the City can expand its focus. This approach simultaneously allows time for the Palo Alto Medical Foundation's proposal for a hospital to come to conclusion.

Geography

This Plan utilizes the following geographic areas of San Carlos to frame the discussion of economic development. The final element, operations, is city-wide. The four geographic regions discussed are the Downtown, the El Camino Real Corridor, the East Side, and the HIA as shown on the map below. Each of these regions is distinctive in terms of historical development, and has therefore established a unique identity over the years.

The Downtown

Laurel Street runs parallel to Highway 101, west of the El Camino Real and is the core of the Downtown retail and service district. The Downtown extends to the southwest of Laurel Street and includes other small businesses, generally along

Cherry Street, Olive Street, and San Carlos Avenue. This is truly the heart of San Carlos. Unlike other commercial areas, the Downtown is home to small retail pads offering a wide variety of goods, interspersed by restaurants, banks, and other services. Laurel Street is a place of visible activity from morning to evening with pedestrians lining the sidewalks and vehicles pulling in and out of parking spaces. The majority of the Downtown retail is focused on Laurel Street between Holly Street and Arroyo Avenue. This pattern of land use is consistent with the current West Side Specific Plan, which identifies the portion of Laurel Street generally between Holly Street and Arroyo Avenue as the Retail Core; between Arroyo Avenue and Belmont Avenue as Personal Services; and from Belmont Avenue to the city boundary as Business and Professional Services.

El Camino Corridor

The El Camino Real runs parallel to Highway 101, and is the historic travel route along the peninsula before Highways 101 and 280 were built. Today the El Camino Real is still used by commuters wishing to avoid the freeways, and may very well be the only part of San Carlos these travelers see. A variety of land uses are present, most of which are on the west side of El Camino, the east side being primarily landscaped to buffer the railroad tracks that run parallel to the El Camino Real in San Carlos. Businesses include the San Carlos train station, a few small to medium sized hotels, fast food restaurants, bars, auto service stations, and other commercial uses. Retail in this area is more limited than in Downtown.

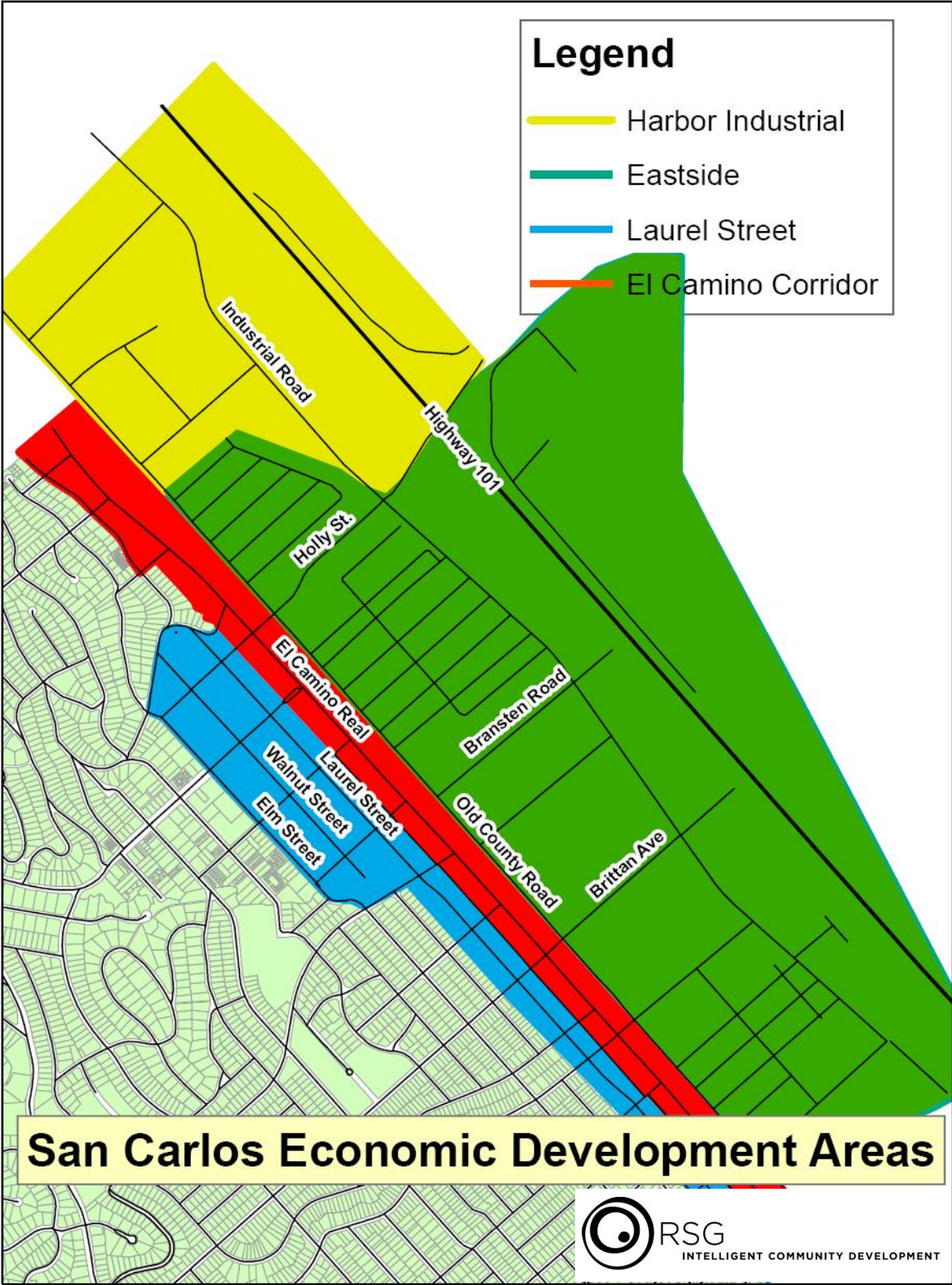
East Side

In local vernacular, the term East Side refers to all land to the east of Old County Road. However, for the purposes of this Plan, the East Side shall refer to land east of Old County Road, south of the properties on Northwood Drive and Fairfield Drive to the west of Industrial Road, and south of Holly Street to the east of Industrial Road. The East Side is home to a wide variety of uses including the San Carlos Airport, small industrial condos, single family homes, and the developing San Carlos Marketplace. Retail is generally clustered along Industrial Road near Brittan Avenue, in compliance with the current East Side Specific Plan. These tenants include Best Buy, REI, Roadrunner Sports, and soon Pet Smart, Home Goods, Bassett Furniture, and a TJ Maxx store. Home Depot and Albertsons are also located in the East Side, along Old County Road. Other uses include a variety of light-industrial uses, research and development uses, and offices. Approximately 500 homes are located between Terminal Way and Northwood Drive.

Harbor Industrial Area

The Harbor Industrial Area is composed of those properties east of Old County Road but not included in the East Side geographic boundary. These include properties immediately to the northeast and northwest of the Highway 101 and Holly interchange, and properties north of the neighborhood bound to the north by Northwood Drive and Fairfield Drive. The HIA, is home to a variety of industries including Nektar Therapeutics, one of the city's largest employers. A large 18-acre site on the east side of Industrial Road owned by the Palo Alto Medical Foundation, is the candidate for a major hospital and medical complex. This project has been under consideration for several years. Most recently, the City Council certified the Environmental Impact Report. It is not the intention of this

Plan to address the advantages and disadvantages of the hospital project; however, it must be noted that any future use of the site will be pivotal to other development in the HIA and the city at large.



TOPIC AREA OBJECTIVES AND STRATEGIES

Operations

Operational considerations arise in any planning effort, particularly with a topic as broad as economic development. Many communities have multiple groups and agencies involved in economic development, and San Carlos is no exception. The City, Redevelopment Agency, Chamber of Commerce (“Chamber”), EDAC, and Harbor Industrial Association each embrace an ongoing role in the economic development of San Carlos. However, without proper coordination, efforts of these and other groups may be disadvantaged by overlapping and poorly defined missions. Additionally, the parties often have limited funding, thus independent actions can sometimes result in a poor use of resources. Although some of the strategies addressed here are outside the direct purview of the City, they are included because coordination is central to the City’s economic future.

Engaging Partnerships

The opportunities presented in this Plan require and rely upon the synchronization of groups directly involved in economic development, along with careful use of City resources. The City has two types of resources to offer the economic development strategy – financial and personnel. Unfortunately, the City is in short supply of both. Challenges to the General Fund in recent years have resulted in reduced staff, which impacts the City’s ability to provide manpower for the opportunities presented and makes efficient organization imperative. Therefore, activating partnerships with other entities is essential.

Collaboration between city staff and community groups provides important advantages. The first and most immediate benefit of partnerships is a shared workload. In addition, working in conjunction with other groups provides the City with both first-hand understanding of the different needs in the business community, and forums in which to address those needs when feasible. Through the networks provided by these participating groups, a healthier business climate may be achieved by sharing information and resources.

City of San Carlos

City Staff

Economic development responsibilities are currently conducted within the City Manager’s Department and the Community Development Department. The lack of staffing specifically for economic development makes it tricky to address the multi-faceted actions this Plan recommends. In recent years, the City has conducted studies and surveys to determine the best way to encourage economic development, but was unable to structure a proactive program in response. It is now time to take action, which will require the dedication of staff time. Unfortunately, until the budget permits additional positions, creating additional responsibilities for the staff members is one of the challenges that city management must face. Ideally, one to two support staff members should be selected to assist the City Manager’s Office and Community Development with

carrying out the strategies in this Plan. This will help to eliminate internal duplication of work, and help to track progress. In the future, as revenues increase, the City should hire a full time staff member to be dedicated entirely to economic development.

This Plan requires that current land use policies be reviewed and updated where necessary. The City is embarking on a General Plan update, which is now starting and is anticipated to last 2 years. The General Plan update is a massive effort for all city departments, and will include rigorous evaluation of city wide land uses and zoning. The Community Development Department intends to make sure current regulations are in line with this Plan's intent, and will determine what changes, if any, are needed to support a streamlined land use approach for economic development as a part of this process.

However, it is important to recognize that land use policies extend to documents such as the Master Plan for the City's Parks (also now starting), as well as the General Plan and Specific Plans. In addition, a proposal for a Drainage Master Plan has been discussed by the City Council and may be authorized when it comes back to the Council for review in Spring 2008. Coordination with the Public Works Department and the Parks and Recreation Department is essential. The initiation of this economic development effort in combination with the General Plan update, the new Parks Master Plan, and the mid-term review of the Redevelopment Agency's Five Year Implementation Plan, is an opportunity to integrate the long term environmental and economic sustainability goals of the City in all future endeavors - in turn creating a synergy among City documents and City departments.

Leveraging of Finances

Land uses in San Carlos have been in transition during recent years. For retail businesses, one of the most notable changes was the closure of the Breuner's Furniture Store. The structure was demolished and is being replaced by four new mid-size pads to form the San Carlos Marketplace. These new stores will help provide additional sales tax revenues to the City. However, this development alone will not reverse the General Fund's growing deficit, so the City can offer only minimal financial support to the recommended economic development efforts at this time for items not already accounted for in the City General Fund Budget. The Plan recommends that the City focus most available funding initially on infrastructure improvements to increase traffic capacity, laying the groundwork for future site development.

Though the City may not have extensive financial resources at this time, it can provide other methods of support. The City already maintains an extensive website, however, this Plan recommends that the economic development section is expanded upon. The section should include more information for local business owners such as links to outside resources such as training for business owners beyond Chamber activities, and opportunities for grant funding or small business loans. A series of suggested links is included in Appendix E of this Plan. The economic development working group, if formed, should task a member with researching and updating these links on a regular basis.

San Carlos Redevelopment Agency

The Agency administers the San Carlos Redevelopment Project Area. A large portion of the opportunities identified in this Plan fall into the geographic boundaries of the Project Area, including most properties on Laurel Street, Wheeler Plaza, South Plaza, and the site of the Railroad Project that San Mateo County Transit (“Samtrans”) has proposed.

The Agency was established in 1985 to remedy the physical, social, and economic blighting conditions caused by inadequate public infrastructure, poor circulation, lack of parking, land use incompatibility, and economic instability in the community. In 1986, the Agency adopted the Redevelopment Plan for the 450-acre Project Area. Since inception, the Agency has successfully completed a variety of projects and programs, including the creation of a new park in the Downtown, and road construction and improvements throughout much of the Project Area. During the next five year planning cycle, the Agency may allocate funding to analyze the potential redesign of Wheeler Plaza, to work with local businesses to continue Downtown street beautification efforts, and to provide funding for street and drainage improvements in the Project Area. These efforts contribute to the overall appearance and function of the Project Area, but also support planned economic development which helps maintain and improve the vitality of the Project Area.

The position of Redevelopment and Housing Manager is currently vacant. The City has a recruitment underway to fill this position. It will take time to get the selected individual acclimated to San Carlos and up to speed on the economic development efforts at hand. This again means a lack of available human resources. However, based on a recent analysis, the Agency is capable of bonding against future tax increment in the Project Area. It is estimated that the Agency would be able to bond for approximately \$10 million. Though use of this money must comply with California Community Redevelopment Law, it is currently the single largest available financial resource for Economic Development. It should be noted that redevelopment funding is intended largely for one-time capital projects or special redevelopment programs. It may not be used for ongoing maintenance or operations costs, such as street lighting or police service.

Chamber of Commerce

Though it is not the intention of this Plan to direct Chamber activities directly, it is important to discuss the many indirect benefits provided by Chamber members that the City should be conscious of. Members of the business community, many of which are Chamber members, are the best ambassadors San Carlos has. Executives, sales representatives, and other employees of local firms often attend meetings or events with their peers outside of the city. These interactions can be a paramount marketing program. Business community members can build awareness of San Carlos among other companies through simple conversations, and have the opportunity to enforce a positive image of conducting business in the city. In terms of attracting particular categories of businesses as proposed later, this type of recruitment is invaluable. Though any business person from San Carlos may act as such an ambassador, the Chamber is the organization most

able to provide support to businesses and enforce the importance of such outreach.

Partner Workgroup

Perhaps the most immediate challenge to the Plan will be delineating the roles of city staff and community groups directly involved in economic development. Currently, the most prominent groups are the San Carlos Chamber of Commerce, EDAC, and the recently formed Chamber Subcommittee for Economic Development. The EDAC has recently formed a sub-committee to be a liaison to the Chamber Economic Development sub-committee. The Harbor Industrial Association is also active within their geographic area. This Plan proposes that the City initiate a short-term working group to agree to a mission statement for economic development within San Carlos, and to develop roles and tasks for each group so that efforts are synchronized and efficient. Ideally, the EDAC liaison sub-committee and the Chamber sub-committee will be joined by selected city staff and a representative from the Harbor Industrial Association to form this working group. Suggested assignments are included in Appendix B, and correlate with the strategies presented later in the Plan for the five topic areas.

OPERATIONAL OBJECTIVES AND STRATEGIES

Operational Objective 1 – Improve Partnerships

Coordination between city staff, EDAC, the Harbor Industrial Association, and the Chamber will be of great benefit to the business community, as well as to each of the groups, particularly in the first few years of the City's improved economic development program.

First Year Strategies

↳ The City should initiate a short-term working group with members from city staff, EDAC, the Chamber, and the Harbor Industrial Association. Timing is critical to the early efforts of a new economic development program, and a great deal of work needs to be accomplished in the first year. To begin, representatives from each group should be selected and a mission statement determined.

↳ The City should guide the workgroup towards a synchronization of goals and tasks so that efforts do not overlap or detract from each other. A matrix of suggested tasks is included in Appendix B, and correlates with first year strategies included in each of the five topic areas.

↳ The workgroup should identify any additional resources needed and recruit from within the existing business community.

Three Year Strategies

↳ Review city staffing and budget to determine if funding is available for a staff member to specialize in economic development. This position would ideally take on management of the City's internal programs and be the primary liaison between the Chamber and the EDAC.

Operational Objective 2 – Address Infrastructure Needs

Traffic and flooding mitigation are both primary infrastructure deficiencies that need to be addressed in various areas of the city. Some traffic circulation improvements have been included in the capital improvement fiscal year budget for 2007-08. This is a step in the right direction. Efforts to fund infrastructure deficiencies must be a priority for San Carlos in order to handle the influx of consumers it hopes to attract.

First Year Strategies

↳ Task Public Works with prioritizing projects to address flood control problems and traffic circulation issues at the Highway 101 and Holly interchange.

Three Year Strategies

↳ Prioritize funding to Capital Improvements and identify funding sources.

Operational Objective 3 – Identify Opportunities For Funding

The City must be judicious in their allocation of funds for economic development, including a potential Agency bond issue. Though revenues are limited at this time, there are opportunities to use funds in an efficient manner yielding profitable results. In addition to traditional sources, the City can also be proactive in securing grant assistance to improve the business community. The City does not necessarily have to apply for funding itself, but should provide information on these resources on its web page.

First Year Strategies

↳ Identify City/Agency funds that may be invested in public/private partnerships and facilitate economic development initiatives.

↳ Assemble a financing team and identify the specific bond proceed resources available to the Agency.

↳ Appropriate funds for economic development initiatives during the mid-year (FY 2007-08) budget review process, including funds needed to go through the bond issue process.

↳ Research available grants and loans that are available to businesses and maintain a web page of descriptions and links. This task may be suited for a City partner.

Three Year Strategies

↳ Continue to leverage Agency funds to support economic development initiatives and address infrastructure needs within the Project Area.

Operational Objective 4 – Provide Resources To Small Business Owners

The small business owner is constantly challenged. If San Carlos is to attract small businesses, from a research and development start up company on the East Side to a boutique on Laurel Street, it must offer owners and entrepreneurs support. As the City has limited resources at this time, initial assistance can be

provided through the network of the Chamber, as well as through existing operational infrastructure such as the City's website. As the economy grows, more direct support will become feasible.

First Year Strategies

- ↳ Build a new web page on the City's site that maintains links to online resources such as grants or loans offered by the County or Federal Government for small or start-up businesses.
- ↳ Re-initiate quarterly business retention meetings to facilitate discussion between the City and small business owners. It is recommended that this be done through the network of the Chamber or EDAC with an appointed ombudsman so that business owners feel free to express themselves in a neutral environment.

Three Year Strategies

- ↳ Reinstate the façade improvement matching grant when funding allows.

Operational Objective 5 – Become A More Sustainable And Environmentally Oriented City

The social consciousness of America is focusing in on the green movement in a way it hasn't for decades, and Silicon Valley and the greater Bay Area has long been more progressive on this front than other areas of the country. San Carlos have expressed great interest in taking a leadership role in the development of sustainable community practices and attraction of environmentally friendly and socially responsible businesses. This presents an outstanding opportunity for the City to encourage sustainability in existing businesses, in the recruitment of new businesses, and within the City organization itself. By taking steps toward a higher level of ecological sustainability now, the City further insures itself of a sustainable economy.

Local governments are particularly well positioned to affect behaviors that directly impact climate change such as transportation options, energy consumption patterns, and general consumer decisions. During the next year, there are several steps the City can take to begin greening itself on an operational level. Both online resources and existing support groups should be used to encourage more sustainable development policies. Many of these potential resources are found in Appendix F. Grant funding is available to assist the City as it undertakes improvements such as streetlight retrofits or planting more trees to combat carbon dioxide emissions.

As previously mentioned, the City has a new Parks Master Plan underway and a General Plan update in the near future. These documents, as well others including watershed plans, National Pollutant Discharge Elimination System ("NPDES") compliance plans, and city and regional park plans all play a role in creating a more sustainable community. As such plans are drafted and updated, green practices can be incorporated as applicable to reinforce the City's environmental goals.

One of the more popular suggestions from the recent community meeting on economic development was the idea of developing a “green design district” that could be home to green retailers, non-profits, locally grown market goods, etc. Though such a development is not immediately feasible, there are activities the City can pursue now to position itself for such a project later.

First Year Strategies

- ↳ For the City to successfully implement green policies and practices, it must designate a staff member to lead the effort. This should be done immediately.
- ↳ The Association of Bay Area Governments (“ABAG”) has developed a certification program for existing businesses. Each county has a coordinator that can get businesses started on the path of becoming a Green Business. San Carlos is a charter member of the program in San Mateo County, and though it’s partnerships should encourage other businesses to join in the certification process.
- ↳ Other communities have developed incentives through the planning and building permitting process to encourage use of energy efficient devices or building materials. Some examples of programs are included in Appendix F. Generally, these are aimed at remodeling and renovation projects with separate standards for new construction. The workgroup might strategize how some of these programs might be implemented in San Carlos, or Community Development staff should be tasked with developing the program.
- ↳ The City of San Carlos should investigate participation in the Mayors’ Climate Protection Agreement, which urges communities to meet or beat the Kyoto Protocol. It is our understanding that a report on this program will be on the City Council’s May meeting agenda.
- ↳ The City should consider joining the International Council for Local Environmental Initiatives (“ICLEI”) Local Governments for Sustainability. The ICLEI provides consulting, training, and information services to support local government in the implementation of sustainable development. Nearby city members include Oakland, Berkeley, San Francisco, and Alameda.
- ↳ The City should consider getting involved with the Business Alliance for Local Living Economies (BALLE), or similar non-profit organization than can help organize and provide local network support for businesses and individuals.

Three Year Strategies

- ↳ Approve programs and/or incentives for encouraging use of green products and energy efficient devices in homes and renovation projects. Put the information on the City’s webpage.
- ↳ Develop guidelines for new construction that requires projects meet a certain standard of environmentally friendly design. Guidelines can be derived from Leadership in Energy and Environmental Design (“LEED”) green building rating system developed by the US Green Building Council.
- ↳ The City should consider recruiting green businesses. A listing of some options can be found in Appendix I.

- ↪ The City should work towards incorporating green policies in future documents and programs to support sustainability.

Operational Objective 6 – Improve Staff Interaction With Existing And Prospective Business Owners

Through public outreach efforts and discussions with EDAC members, concerns regarding the interaction of city staff with businesses have surfaced. Whether these concerns are real or perceived is of little consequence, as the perception can be just as damaging as the reality. Either can hinder successful development of the business community. The City should concentrate on becoming an overtly business-friendly organization.

First Year Strategies

- ↪ The workgroup should determine an appropriate person or group to help identify issues that have surfaced in the past that impede business development. Ideally, this will be a Chamber, EDAC, or Harbor Industrial Association member.
- ↪ Establish an ombudsman that handles individual complaints from any party.
- ↪ Utilize quarterly business retention meetings as a forum for discussions to eliminate problems or perceptions.

Three Year Strategies

- ↪ Craft strategies to address real or perceived impediments to business development.

Operational Objective 7 – Update Zoning Code Or Specific Plan Land Use Designations As Needed

The current specific plans for the East Side (East Side and HIA) and West Side (El Camino corridor and Downtown) are both more than ten years old. In combination with the zoning code, these land use designations and restrictions should be reviewed to provide flexibility where needed.

First Year Strategies

- ↪ Identify zoning code or specific code provisions that inhibit current business development standards or practices, or are no longer aligned with the City's economic development goals.
- ↪ Task the planning department with generating recommended changes and establish a schedule for updating these items.

Three Year Strategies

- ↪ Update the zoning code and specific plans according to the established schedule.

Downtown

Downtown San Carlos is the heart and soul of the community for most residents, and therefore hotly contested territory in terms of economic development. The Downtown is home to City Hall, the police department, a park, the library, and the post office, with the Caltrain rail station only blocks away on El Camino Real. Most notably, the Downtown has Laurel Street, full of quaint shops, upscale restaurants, bustling cafes, a variety of services, and office spaces. Many proprietors of businesses here operate only that store, and focus on providing the “personal touch” in customer service, offering unique and quality items found only in Downtown.

With the suburbanization of American cities, malls, strip centers, box retail, and lifestyle centers came to replace the older downtowns as retail destinations. Like downtowns in many other communities, San Carlos’ Downtown has struggled to attract the number of patrons it once did. Fortunately, a backlash to this shift in retail behavior developed in the last 10 to 20 years. Instead of letting their downtowns fail, many cities judiciously chose to revitalize their downtowns through redevelopment projects and incentives for tenants to locate in the older and smaller pedestrian-friendly areas. Successful rejuvenation of downtowns was then followed by the emergence of a new demographic that chooses to live in denser, pedestrian-oriented areas such as a downtown, providing regular consumers for the shops and services offered.

San Carlos has not quite crossed that threshold of the revitalized downtown. Though the shops along Laurel Street are generally occupied, turnover rates are higher than other areas, and many Downtown merchants have expressed their struggle to maintain sales. This isn’t surprising, noting that the Downtown generates only \$500,000 in sales tax revenue to the City annually. In the recent economic development survey, 69 percent of respondents said they make most of their retail purchases at a mall or large retail center (please see Appendix D for all survey results).

Fortunately, a large portion of the Downtown, including the retail core of Laurel Street, is within the San Carlos Redevelopment Project Area (please see Appendix H for the Project Area map), and the Agency has been very committed to preserving the character of Downtown. Revitalization activities such as new sidewalks and streetscape improvements are measures that have enhanced the image of Downtown. The next step in the area’s revitalization must draw from the momentum created by the Agency, City, Chamber of Commerce, and this Plan to update land use policies and development practices to accommodate redevelopment opportunities.

A delicate balance of users must be maintained Downtown, and this balance will be one of the greatest challenges facing the City. On the one hand, the community wants to preserve the small town feel that makes Laurel Street a relaxing place to stroll or run a couple quick errands. However, to maintain a healthy business community, tenants must entice consumers into Downtown to shop at the boutiques and eat at the restaurants. Given the intrinsic love San

Carlans have for their Downtown, combined with the fortuitous market opportunities at hand, this Plan calls for a vision to breath new life into the area while maintaining the integrity of the small businesses that call the Downtown home. This vision encourages pedestrian traffic, local and regional retailers, entertainment-oriented uses, and a small amount of mixed-use development.

Mixed-use projects can be a challenge to communities that developed under stricter zoning and separation of land uses. Today however, mixed-use is an important component of successful infill developments, and has a strong foothold in the evolving city's vocabulary. As a real estate product that combines a variety of uses often in multiple stories, mixed-use development is increasingly seen as a strategy for meeting housing needs, commercial revitalization planning, and transportation objectives. The for-purchase condo units provide revenue to make the development feasible, and also offer another housing option for residents that prefer a more urban lifestyle or cannot afford a traditional single family home. Street front retailers then have the assurance that they will always have customers living right above and around them while residents have the benefit of being able to walk a mere number of yards to get groceries and household items, or to have dinner.

The community's vision for an old-fashioned downtown must expand to incorporate the notion of Laurel Street being both a viable retail center as well as a community-oriented leisure time destination. To accomplish the objectives presented, the Agency, the Chamber and the City must attract a unique mix of merchants that will entice clientele to visit the Downtown. The strategies outlined below for the Downtown are meant to capitalize on the resources present in the commercial properties along Laurel Street and the variety of businesses and community organizations in the Downtown. Based on market demand and other suggested opportunities in the ERA Market Study, this Plan provides specific actions for two catalyst sites– Wheeler Plaza and the Bell Market site. Further, this Plan calls for the City to engage Samtrans regarding the anticipated Railroad Project on the El Camino Real, and to insure that it will be integrated with the Downtown development program.

It should be noted that public outreach efforts have discovered the community's desire for more mid-priced to upscale full-service restaurants and more activity-oriented destinations. Particularly, the community has expressed a wish for a brewery/restaurant, similar to a Gordon Biersch or a Pyramid Alehouse, and a bookstore. These uses are well suited for Downtown, though it is not necessary to restrict their location at this time. The El Camino Real may be another option as well, particularly for the brewery.

DOWNTOWN OBJECTIVES AND STRATEGIES

Downtown Objective 1 – Activate Wheeler Plaza

Capitalizing on the benefits of the proposed Railroad Project is one of the greatest opportunities at hand. This Plan envisions the development of a mixed-use project at Wheeler Plaza within the sight line of the Railroad Development to draw train passengers and commuter traffic from the El Camino into the Downtown.

Wheeler Plaza is the City-owned parking lot behind Le Boulanger and Foodville, plus City-owned parcels now rented to a locksmith, liquor store, and dry cleaners; however, it is the hope that the City will be able to successfully negotiate redevelopment of more than the parking lot itself. The reuse of Wheeler Plaza has been discussed in other documents, including the ERA Market Study, which envisioned redeveloping the site into a mixed use project that would feature retail, housing and a reconfigured parking area. The reuse may also involve using part of the property as a plaza or community gathering place. Public outreach efforts have shown that many residents like the idea of having a pedestrian-oriented gathering place in or near the downtown, thus the option should be considered in future discussions.

First Year Strategies

- ↪ City staff should establish meetings with the various property owners to discuss the opportunity that Wheeler Plaza presents. Have an open dialog about options for the property owners, the tenants, and the City.
- ↪ City staff and the City Council should discuss what reuse options might best fit community needs and vision.
- ↪ The City should contract with an economic consultant to analyze what redevelopment options would be feasible and identify the anticipated public investment necessary to make it happen.
- ↪ Identify developers that specialize in the type of project that appears feasible and initiate discussions regarding their interest in redeveloping the site.

Three Year Strategies

- ↪ Negotiate with property owners for maximum site use.
- ↪ Contract with a developer for the project.

Downtown Objective 2 – Activate Bell Market Site

A complementary “anchor” development is needed at the former Bell Market site to entice people down the street from Wheeler Plaza. Round trip, the walk from the train station to the Bell Market site and back is a single mile, a very pedestrian-friendly distance.

First Year Strategies

- ↪ Set up a meeting with the landowner to discuss options.
- ↪ Explore the option of purchasing the leasehold interest in the former Bell Market by working with the landowner.
- ↪ Identify site development options using the existing building and with a redesigned site. Explore use of City owned parking lot and housing property adjacent to site as part of potentially redesigned site.
- ↪ Identify developers that specialize in the type of project that appears feasible and initiate discussions regarding their interest in redeveloping the site.

Three Year Strategies

- ↳ Pending the possibility of purchasing the leasehold, find an anchor-type tenant for the building or contract with a developer to redevelop the site.

Downtown Objective 3 – Draw People From El Camino To Downtown

The El Camino Real is a primary access point for commuters and neighboring communities to enter Downtown. The City should focus on drawing from this customer pool by enticing drivers to stop and see what Downtown has to offer. Again, capitalizing on the benefits of the Railroad Project is a tremendous marketing opportunity, as it will become a landmark site, identifying when travelers are in San Carlos.

First Year Strategies

- ↳ Initiate discussions with Samtrans and the project developer, Legacy Partners, on the Railroad Project. Discussions should focus on striking a balance between the proposed residential and retail uses; this balance should consider including retail space that compliments Downtown businesses and potential retail demand. It is important to coordinate a balance between the future Railroad Project tenants with those that are already in Downtown and those that may eventually locate at Wheeler Plaza or the Bell Market site.
- ↳ Identify initial efforts to market Downtown at the Railroad Property, particularly through signage. The Chamber should be involved with this as well to use or tie in their Shop San Carlos program.

Three Year Strategies

- ↳ Implement a large-scale marketing strategy to let travelers along the El Camino and on Caltrain know when they are in San Carlos, and that there is more to see in Downtown. The strategy may include a directory of tenants posted at the train station as well as banners visually connecting the El Camino to Laurel Street.

Downtown Objective 4 – Determine And Encourage The Best Uses For Downtown

The Downtown should remain a unique place with a focus on local and regional retailers and restaurants. However, there must be a clientele to support these uses. Finding and keeping the right mix of users will be an ongoing struggle that includes marketing, recruitment, and retention efforts all while trying to maintain a sense of place.

First Year Strategies

- ↳ Work with the Chamber to update and improve the business recruitment package.
- ↳ Consider criteria that all tenants in pads above a certain square footage must meet, and develop language for a Conditional Use Permit if needed to insure that

proposed developments on larger parcels in the core downtown meet the community's vision and business needs.

↳ Open discussions with potential brewery tenants (see Appendix I for options).

Three Year Strategies

↳ Identify and recruit smaller regional businesses for the Downtown. These tenants help to preserve the unique nature of the district, but also provide some stability as their owners have had success in other markets. These businesses are also more likely to have the capital to do façade renovations or other upgrades to update the buildings that a single store new business might not be capable of.

↳ Identify and recruit more entertainment types of uses for all age groups as pads become available, including a bookstore and possibly a wine bar.

El Camino Real Corridor

The El Camino Real corridor stretches the length of San Carlos, connecting it to cities up and down the peninsula. It remains a major traffic route for commuters that want to avoid the freeways, local traffic between cities, and additionally lies immediately west of the Caltrain right-of-way through the city. Because of its importance to regional transportation, the corridor is an opportunity unto itself, guiding people, and potential customers, in and out of San Carlos every day.

The El Camino Real often changes dramatically from city to city, including changes in streetscape, land uses, and even address numbers. To ameliorate the piecemeal development, the Grand Boulevard Initiative was begun. A collaboration between the cities, counties, and other agencies between Daly City and San Jose, the Grand Boulevard Initiative seeks to rethink the uses of the corridor and capitalize on the possibilities it offers for meeting transportation and regional housing needs. However, the Initiative is still in its formative stages, and while San Carlos should continue to be involved in the group, it should not wait to for the Initiative to provide guidance on the El Camino corridor.

Despite that for most of its length in San Carlos it is only developed on the west side, the El Camino Real is the second-largest revenue producing area of the city, historically providing approximately one quarter of the city's sales tax income. Currently a mix of services, offices, auto shops, fast food restaurants, and hotels, the El Camino lacks a true identity. That will change to some degree with the development of the Railroad Project on the Samtrans property. However, other general improvements to the streetscape will help to create a citywide identity along the road.

EL CAMINO REAL CORRIDOR OBJECTIVES AND STRATEGIES

El Camino Objective 1 – Utilize Railroad Property As Catalyst Site

The Railroad Property and proposed project is one of the greatest assets to the City's economic development program. Coordination with Samtrans and the project developer should continue to be a priority for the City.

First Year Strategies

↳ Initiate focused discussions with the developer and Samtrans regarding the many roles the development will play in the city.

Three Year Strategies

↳ During the design phase of the project, make sure that any marketing strategies aimed at the Downtown are incorporated.

↳ Consult on commercial tenant recruitment with the developer to protect against overlap with efforts in the Downtown.

El Camino Objective 2 – Implement Landscape And Design Concept For Corridor

Community outreach efforts found that many San Carlans think the El Camino corridor should have an identity - something that ties one end to the other, and distinguishes it as San Carlos. Landscape and design standards can be very useful for such qualitative improvements.

First Year Strategies

↳ Review the previous landscape and design strategy developed by Fred Kent for the corridor.

Three Year Strategies

↳ If the prior landscape and design strategy is not sufficient, retain a consultant to develop one. This strategy should be consistent with and complementary to any marketing plan for drawing travelers from the El Camino to Downtown.

↳ Implement strategy.

El Camino Objective 3 – Determine And Encourage The Best Uses For El Camino

In coordination with changes to the zoning code, West Side Specific Plan, and a landscape strategy, the City should determine the types of uses it wishes to foster along the corridor. Options include workforce housing, restaurants and bars, or complementary uses to transportation. In the long term, the El Camino should develop a symbiotic relationship with the Downtown. Beyond the Railroad Project, further redevelopment of sites (on a public or private basis) is likely to be a few years in the future, while there are opportunities for such change on Laurel Street now. The immediate focus of the Plan is therefore to draw people from the El Camino Real into the Downtown. However, the long term approach should be to promote both areas as a part of the overall “Shop San Carlos” or similar marketing strategy. As the Downtown focus is on the local and regional retailer, there may be opportunities to attract larger retailers and credit tenants along the El Camino. Eventually, the parcels at El Camino Real and Arroyo Avenue should be targeted for rehabilitation as needed to serve as another attraction to retail and services on El Camino and as another entry point to Downtown. This should be kept in mind as the Plan is updated.

First Year Strategies

↳ Review zoning guidelines and parking standards for the corridor and evaluate their validity to modern standards. The age of the West Side Specific Plan indicates they may be outdated in terms of current development practices, or may no longer reflect the standards desired.

↳ Task the Community Development Department with recommending changes to the zoning code and development standards.

Three Year Strategies

↳ Review recommended changes and carry out the approval process.

↳ Identify vacant parcels, including sizes and configurations.

- ↳ Identify the types of users/developments that would work within the parcel size parameter.
- ↳ Utilize the Silicon Valley Prospector web site and the Chamber network to solicit interest in available properties or potential projects, particularly at sites nearest to the Railroad Project.
- ↳ Work with city partners to recruit desired businesses.

East Side

The East Side offers the widest array of land uses in San Carlos from industrial to single family residential. Previous and current zoning or other land use designations have tried to optimize the combination of users by allowing for some flexibility. The approach has been successful, though with the most recently adopted Specific Plan dated 1991 (for the East Side including the HIA), it is time to revisit existing land use policies. An attempt was made in 2003, however, as with this Plan, it was deemed that the status of the Palo Alto Medical Foundation hospital proposal be determined prior to the adoption of a new Specific Plan.

Light industry and building and construction materials remain a key part of the East Side's economy. The East Side is notably one of the few areas on the peninsula to still have "industrial condos", which offer smaller industrial space perfect for small start-up companies such as research and development firms. With its high-paying jobs and in-demand land uses, the East Side industrial areas are a vital asset to San Carlos.

Large and mid plate retailers on the East Side of San Carlos continue to be the core of the City's sales tax revenue generators, away from the neighborhoods and generally along Industrial Road, near to Highway 101 as prescribed by the East Side Specific Plan. Generally, the term mid plate refers to pads between 40,000 and 50,000 square feet with large plate pads being from 50,000 to 100,000 square feet in size. Examples of this type of development would include Sears, Lowe's and Target (large plate) and Nordstrom Rack, Kohl's and T.J. Maxx (mid plate). Several mid to large plate retailers are interested in locating in San Carlos, and the East Side is likely to provide the best site for them as land becomes available. Unfortunately, further development of retail on the East Side is hampered by limited additional traffic capacity. Though Brittan Avenue offers direction-specific access to Highway 101, it is not a full interchange, so most traffic must be funneled in through the Holly Street or Whipple Street interchange.

EAST SIDE OBJECTIVES AND STRATEGIES

East Side Objective 1 – Recruit Mid To Large Plate Retail

With the redevelopment of the Bruener's site into the San Carlos Marketplace, the East Side along Industrial Road near Brittan Avenue has established itself as the ideal location for further mid to large plate retail development. These uses provide the strongest support to the City's sales tax revenues. The ERA Market Analysis estimated that San Carlos can support and additional 35-40 acres of retail uses in the next 20 years, much of which could be located in the East Side.

First Year Strategies

- ↳ Develop a list of compatible and desirable uses with the Chamber and EDAC, focusing on the existing niches of home improvement and sporting goods and recreational products. Some potential users are suggested in Appendix I.
- ↳ Initiate contact with identified users and provide information on San Carlos.

↳ Explore ERA recommendation to change the zoning on property along Industrial Road from south of the Hwy 101/Holly Interchange Landmark Hotel Site to Brittan Avenue from Industrial to Mid and Large Plate retail uses.

Three Year Strategies

- ↳ Recruit users for available land.
- ↳ Determine if the City or Agency as applicable has funding capacity to assemble parcels for larger users.
- ↳ Incorporate green building standards requiring new construction to meet a pre-determined level of environmental sustainability as discussed in Operational Objective 5.

East Side Objective 2 – Recruit Research And Development / Bio-Tech Industries

The recent ERA Market Analysis identified the potential for 17-20 acres of research and development or bio-tech type of industries. It is anticipated that this would be spread between the East Side and the HIA. These industries provide high-paying jobs and bring employees to San Carlos, which supports retail and restaurant sales.

First Year Strategies

↳ Market available pads via the Silicon Valley Prospector.com web site, the City website, and through the Chamber.

Three Year Strategies

↳ Nektar Therapeutics could help attract similar uses. Similarly, if the Palo Alto Medical Foundation develops a hospital, it too could provide a catalyst for attracting research and development industries. As the hospital project advances, the City should determine how it should proceed.

East Side Objective 3 – Preserve Light Industrial And Flex Space

One of the East Side's assets, satisfying its core function, is the availability of light industrial and flex space land, home to businesses that provide high-wage jobs. Though a range of lot sizes can be found, it is the smaller sizes that have drawn attention lately as "industrial condos". These land uses provide great homes to small start-up companies that need land isolated from residential uses but cannot afford, or do not need, a large industrial property to operate on.

First Year Strategies

↳ Market available pads and "industrial condos" such as those found on Industrial Road via the Silicon Valley Prospector.com web site, the City website, and through the Chamber.

Three Year Strategies

↳ Encourage flexibility of uses to attract a mix of research and development firms and construction industry services as well as other suitable light industry or retail. San Carlos' tradition of allowing a variety of uses in the area has proved a long term asset. As development standards are reviewed and updated, they should maintain elasticity.

East Side Objective 4 – Develop Landmark Hotel

The existing Specific Plan names two landmark hotel sites at the Holly Street and Highway 101 interchange. The ERA Market Study indicated that San Carlos can expect to capture up to 600 additional rooms by 2025. By 2012, ERA projects that San Carlos will be able to support 120 rooms, the equivalent of one mid-sized hotel. Transient occupancy tax generated by hotels can be an excellent revenue source to cities, however, given the limited available land in San Carlos, this Plan does not recommend that more than the two existing landmark sites be reserved for hotel development. Land uses will continue to evolve and other opportunities to redevelop sites will arise in later years. It should be noted that the potential hospital development will impact the demand for hotels in San Carlos, and thus should be considered in future updates of this Plan.

First Year Strategies

↳ Preserve the designated landmark site for future hotel development.

Three Year Strategies

↳ Consider soliciting developer interest, particularly as more is known about the proposed hospital project.

Harbor Industrial Area

Generally an industrial and research and development region, the Harbor Industrial Area provides San Carlos with much needed space for job-producing uses. The HIA is also the geographic region in which the Palo Alto Medical Foundation has proposed construction of a hospital. This project, if implemented, will have a sizable impact on the HIA. Therefore, until the status of the Palo Alto Medical Foundation is determined, this Plan does not propose any major changes specifically for the Harbor Industrial Area.

It should be noted that the Harbor Industrial Association is included in this document as a potential member of the proposed workgroup. The Harbor Industrial Association is already an active group which the City should pursue developing a stronger partnership with. This will better prepare both the City and the Harbor Industrial Association to proactively approach the changes necessary to the HIA when the outcome of the proposed hospital is decided.

HARBOR INDUSTRIAL AREA OBJECTIVES AND STRATEGIES

Harbor Industrial Area Objective 1 – Engage The Harbor Industrial Association

This organization represents the users in the area and would be a strong partner for the City to develop a better relationship with. This would allow the City more insight into the Harbor Industrial Association's goals, and assist in business recruitment for the most suitable users.

First Year Strategies

↳ Continue to attend Harbor Industrial Association meetings and discuss better integration of the Harbor Industrial Association, City, and other partners. Ask for a representative to join the working group.

Three Year Strategies

↳ Work closely with the Harbor Industrial Association to determine best reuses of vacant parcels as they become available. Utilize partnerships to recruit appropriate companies.

Harbor Industrial Area Objective 2 – Preserve Light Industrial And Research And Development Uses

The Harbor Industrial Association is dedicated to maintaining the industrial uses in the HIA. The City should support this effort by attracting suitable users when land becomes available.

First Year Strategies

↳ Market small available parcels through the Silicon Valley Prospector.com web site, the City website, and the Chamber website.

Three Year Strategies

↳ Encourage some flexibility of uses to attract a mix of research and development firms and construction industry services as well as other suitable light industry. San Carlos' tradition of allowing a variety of research and development firms as well as more traditional industrial uses in the area has proved a long term asset. As development standards are reviewed and updated, they should continue to support industrial uses in accordance with annexation agreement.

Harbor Industrial Area Objective 3 – Recruit Research And Development / Bio-Tech Industries

The recent ERA Market Analysis identified the potential for 17-20 acres of research and development or bio-tech type of industries. It is anticipated that this would be spread between the East Side and the Harbor Industrial Area. These industries provide high-paying jobs and bring employees to San Carlos, which supports retail and restaurant sales.

First Year Strategies

↳ Market available pads through the Silicon Valley Prospector.com web site, the City website, and the Harbor Industrial Association.

Three Year Strategies

↳ Research and recruit complimentary research and development / biotech users to the HIA, capitalizing on existing users and networks particularly through Nektar, and in the future, possibly through the proposed hospital.

APPENDIX A – MATRIX OF OBJECTIVES AND STRATEGIES

OPERATIONAL CHANGES	Year 1	Next 3 Yrs.
<p>Guiding Principle: Become a business-friendly community that results in funding for city services and improved quality of life in San Carlos</p> <p>Objective 1: Improve partnerships</p> <p>Strategies:</p> <ul style="list-style-type: none"> ➔ Create a short-term working group of representatives from city staff, EDAC, Harbor Industrial Association, and Chamber of Commerce ➔ Guide workgroup to determine roles and tasks of each group to prevent doubled workload and synchronize goals ➔ Identify any additional resources needed and recruit from within the existing business community ➔ Create and hire for a staff position specifically to manage and develop economic development programs and networks 	✓ ✓ ✓	 ✓
<p>Objective 2: Address infrastructure needs</p> <p>Strategies:</p> <ul style="list-style-type: none"> ➔ Task Public Works with prioritizing projects to ameliorate traffic circulation issues ➔ Prioritize funding for capital improvements, and identify funding sources 	✓	 ✓
<p>Objective 3: Identify opportunities for funding assistance</p> <p>Strategies:</p> <ul style="list-style-type: none"> ➔ Identify City/Agency funds available for improving the business community ➔ Assemble a financing team and identify the specific bond proceed resources available to the Agency ➔ Allocate funds in mid-year (FY 2007-08) budget review process for this effort ➔ Research available grants/loan assistance and maintain webpage of links for businesses to use ➔ Continue to leverage Agency funds to support economic development and address infrastructure deficiencies in the Project Area 	✓ ✓ ✓ ✓	 ✓
<p>Objective 4: Provide resources to small business owners</p> <p>Strategies:</p> <ul style="list-style-type: none"> ➔ Build and maintain online resource section of web page for small business owners ➔ Hold quarterly business retention meetings to facilitate discussion between the city and small business owners ➔ Reinstate façade improvement funding when feasible 	✓ ✓	 ✓

OPERATIONAL CHANGES CONTINUED	Year 1	Next 3 Yrs.
Objective 5:		
Become a "Green City"		
Strategies:		
➔ Appoint a City representative to lead the campaign to green the community	✓	
➔ Coordinate with the Chamber of Commerce to educate existing businesses on becoming green utilizing ABAG's program	✓	
➔ Determine programs or incentives to encourage use of green materials	✓	
➔ Consider joining the Mayors' Climate Protection Agreement	✓	
➔ Consider joining the ICLEI Local Governments for Sustainability to expand support for green programs and initiatives	✓	
➔ Consider getting involved with BALLE or similar non-profit organization for local network support	✓	
➔ Approve programs/incentives for encouraging use of green products and energy efficient devices		✓
➔ Develop guidelines for new construction that requires development to incorporate green techniques		✓
➔ Market to and recruit green and sustainable businesses		✓
➔ Incorporate sustainable practices in other documents and programs as they are created or updated		✓
Objective 6:		
Improve staff interaction with existing and prospective business owners		
Strategies:		
➔ Partner workgroup should appoint person or group to help identify past issues	✓	
➔ Establish an ombudsman to handle complaints	✓	
➔ Utilize quarterly business retention meetings as forum for discussions to eliminate problems or misunderstandings	✓	
➔ Craft strategies to address real or perceived impediments to business development		✓
Objective 7:		
Update zoning code		
Strategies:		
➔ Identify zoning code or specific plan provisions that are no longer in line with the City's goals	✓	
➔ Task planning department with recommending changes and schedule	✓	
➔ Update zoning code and specific plans according to schedule		✓

DOWNTOWN	Year 1	Next 3 Yrs
<p>Guiding Principle: Infuse the Downtown with high quality users and consumers while maintaining sense of place</p>		
<p>Objective 1: Activate Wheeler Plaza</p> <p>Strategies:</p> <ul style="list-style-type: none"> ➔ Set up meetings and discuss opportunities with property owners ➔ Strategize with City Council on the community's vision for possible reuse ➔ Retain economic consultant to provide options on what may be feasible ➔ Identify developers that specialize in feasible product and initiate discussions ➔ Negotiate with property owners to maximize site ➔ Contract with site developer 	<p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p>	<p></p> <p></p> <p></p> <p></p> <p>✓</p> <p>✓</p>
<p>Objective 2: Activate Bell Market Site</p> <p>Strategies:</p> <ul style="list-style-type: none"> ➔ Set up meeting and discuss opportunities with land owner ➔ Determine feasibility of purchasing leasehold interest ➔ Identify side development options ➔ Identify developers that specialize in feasible product and initiate discussions ➔ Pending leasehold, find appropriate tenant or contract with developer 	<p>✓</p> <p>✓</p> <p>✓</p>	<p></p> <p></p> <p></p> <p>✓</p> <p>✓</p>
<p>Objective 3: Draw people from El Camino to the Downtown</p> <p>Strategies:</p> <ul style="list-style-type: none"> ➔ Continue focused discussions with Samtrans and the developer for the planned uses/users of the Railroad Property ➔ Identify first efforts to market downtown at Railroad Property particularly signage ➔ Implement marketing strategy to draw consumers from the Railroad Property to Wheeler Plaza and downtown 	<p>✓</p> <p>✓</p>	<p></p> <p></p> <p>✓</p>
<p>Objective 4: Determine and encourage the best uses for Downtown</p> <p>Strategies:</p> <ul style="list-style-type: none"> ➔ Work with Chamber to improve and update business recruitment package ➔ Consider criteria for users above a determined square footage pad ➔ Identify and recruit a brew-pub restaurant ➔ Identify and recruit smaller regional businesses ➔ Identify and recruit more entertainment types of uses for all age groups, potentially including a bookstore and wine bar 	<p>✓</p> <p>✓</p> <p>✓</p>	<p></p> <p></p> <p></p> <p>✓</p> <p>✓</p>

EL CAMINO REAL CORRIDOR	Year 1	Next 3 Yrs
Guiding Principle:		
Stimulate the El Camino to be an active business corridor that attracts users to San Carlos and provides community identity		
Objective 1:		
Utilize Railroad Property as catalyst site		
Strategies:		
➔ Continue focused discussions with Samtrans and developer for the Railroad Property	✓	
➔ Incorporate marketing strategies aimed at downtown at the property		✓
➔ Consult on commercial tenant recruitment with the developer to protect against overlapping efforts in downtown		✓
Objective 2:		
Implement landscape and design concept for corridor		
Strategies:		
➔ Review current landscape concept	✓	
➔ Develop design and landscaping guidelines for corridor if current plan is not sufficient		✓
➔ Implement strategy		✓
Objective 3:		
Determine and encourage the best uses for El Camino		
Strategies:		
➔ Review zoning and specific plan guidelines for the corridor and evaluate possible changes	✓	
➔ Task Planning Department with recommending changes to the zoning code and developing a schedule for the changes	✓	
➔ Review recommended changes and carry out approval process		✓
➔ Identify vacant parcels on corridor		✓
➔ Identify types of users who's needs would meet the available land parameters		✓
➔ Utilize the partnerships to solicit interest in available properties from desired users		✓
➔ Work with partners to recruit businesses		✓

EAST SIDE	Year 1	Next 3 Yrs
Guiding Principle:		
Retain and promote land uses as described in the East Side Specific Plan, including the recruitment of commercial tenants of all sizes that will add value to the community		
Objective 1: Recruit mid to large plate retail		
Strategies:		
➔ Develop list of compatible users with Chamber and EDAC, focusing on existing markets of home improvement, home goods, and recreation/sports	✓	
➔ Initiate contact with identified users and provide information on San Carlos	✓	
➔ Recruit users for available land		✓
➔ Determine City/Agency funding available for parcel assembly		✓
➔ Incorporate green building standards for new construction		✓
Objective 2: Recruit research & development / bio-tech industries (overlap with HIA)		
Strategies:		
➔ Market small available parcels through partnerships (e.g. Silicon Vallley Prospector.com, Chamber) and website	✓	
➔ Capitalize on Nektar and possibly PAMF to attract complimentary uses		✓
Objective 3: Preserve light industrial / flex-space land		
Strategies:		
➔ Market available small pads/industrial condos via the Sillicon Valley Prospector.com website, the City website, and through the Chamber	✓	
➔ Encourage flexibility of uses through revisions of development standards		✓
Objective 4: Develop landmark hotel		
Strategies:		
➔ Reserve site for hotel at landmark site as designated	✓	
➔ Contact local developers to ascertain interest		✓
HARBOR INDUSTRIAL AREA	Year 1	Next 3 Yrs
Guiding Principle:		
Look for opportunities in land reuses		
Objective 1: Engage the Harbor Industrial Association		
Strategies:		
➔ Attend meetings with Harbor Industrial Association to discuss future strategies and solicit representation for the workgroup	✓	
➔ Work with HIA to determine best reuses of vacant parcels		✓
Objective 2: Preserve light industrial and research and development uses		
Strategies:		
➔ Market small available parcels through partnerships (e.g. Silicon Valley Prospector.com, Chamber) and website	✓	
➔ Allow and maintain flexibility of uses in industrial area, but continue to focus on recruitment of light industry and construction-related products		✓
Objective 3: Recruit research & development / bio-tech industries (overlap with East Side)		
Strategies:		
➔ Market available small pads via the Sillicon Valley Prospector.com website, the City website, and through the Chamber	✓	
➔ Target research and development uses complimentary to existing firms and recruit as land becomes available		✓

APPENDIX B - SUGGESTED WORKGROUP TASKS

	City/Agency Staff	EDAC	Harbor Ind. Association	Chamber Commerce
Initiate Working Group	L			S
Develop mission statement and develop tasks for each entity		L		S
Research grant funding for small businesses to place on web	S	L		
Web page updates	L			
Reinstate quarterly business retention meetings	L		S	S
Encourage businesses to go green, per the ABAG program	S			L
Update and streamline the Chamber's business recruitment package, incorporating data into the city website		S	S	L
Get involved with non-profit to fortify green resources and networks	L	S		
Develop construction guidelines for new construction, based on LEED standards	S	L		
Evaluate need for change to zoning code and specific plan land uses	L			
Appoint at least one ombudsman to handle complaints between the city and businesses		S		L
Develop systematic way of soliciting interest in available properties from developers or business owners within the community network			S	L
Expand marketing strategy to draw people from the El Camino to downtown	L			S
Identify retail or restaurant users most likely to satisfy community needs for recruitment in each geographic area	S	L		S

Suggested Leadership: L = Lead S = Support

APPENDIX C - LAND USE POLICIES

Specific Plan Land Use – West Side

The current West Side Specific Plan was adopted September 12, 1994. Despite its age, the land use policies it espouses are well-conceived, illustrating foresight on the part of the authors. The following area-specific policies support items presented in this Plan.

Supporting Policies - North El Camino Real

- 4.711 – Promote mixed use development with an emphasis on highway commercial and regional retail
- 4.715 - Encourage parcel consolidation to facilitate higher intensity land uses
- 4.717 – Designate the northwest and southwest corners of El Camino Real and Arroyo Avenue and Secondary Development Parcels.

Supporting Policies - South El Camino Real

- 4.721 – Promote mixed use development with an emphasis on highway commercial and regional retail
- 4.724 – Encourage parcel consolidation to facilitate redevelopment for alternative land uses

Supporting Policies - Downtown

- 4.731 – Promote retail and restaurant uses as the primary uses in the downtown. Other uses such as offices and housing are appropriate and encourages above the ground floor

Supporting Policies - Central Laurel Street

- 4.744 – Facilitate expansion of public parking in conjunction with the redevelopment of consolidated parcels
- 4.745 – Improve the appearance and character of Central Laurel Street through unifying design enhancements and redevelopment of underutilized parcels

Supporting Policies - Parking Plazas

- 4.761 – South Plaza. Encourage the development of mixed-use, affordable housing over shared parking while retaining the existing number of available public parking spaces
- 4.763 – Wheeler Plaza. Improve the ingress and egress, provide additional parking, signing, lighting, and landscaping, the City should explore purchase opportunities when buildings become available. Investigate long term opportunities for deck parking and mixed use development.

Potential Sections Requiring Changes

- 4.732 – The Downtown Retail Core is defined as the 600, 700, and 800 blocks of Laurel Street and the 1100 and 1200 blocks of San Carlos Avenue. Consider revising this designation to incorporate Central Laurel Street as well.

- 4.741 – *Focus on personal services in the Central Laurel Street area.* Consider revising to encourage small retail uses as well.
- 4.761 – Wheeler Plaza. Improve the ingress and egress, provide additional parking, signing, lighting, and landscaping, the City should explore purchase opportunities when buildings become available. Investigate long term opportunities for deck parking and mixed use development. Consider revising this to designate Wheeler Plaza as a Key Development Parcel.

Specific Plan Land Use – East Side

The East Side Specific Plan, applying to all land east of Old County Road, currently in place was adopted March 11, 1991. A draft East Side Specific Plan was written and submitted to the City for review, but was put on hold pending the outcome of the Palo Alto Medical Foundation's hospital proposal. The land use policies in the 1991 Specific Plan that support this Plan are described below.

Supporting East Side Land Use Policies

- 5.212d – Because of their importance to overall employment levels, industrial uses located in the inner core of east San Carlos shall be maintained and expanded to the greatest possible extent. Accordingly, the subdivision of existing large industrial parcels will be strongly discouraged.
- 5.213c - Industrial Park: shall consist of flexible space for office and incubator businesses.
- 5.213e – Shall consist of industrial, manufacturing/assembly, high tech, research and development, biotechnology, and office uses or any combination thereof.

Potential Section Requiring Change

- 5.212c – Regional retail uses, consisting of destination type facilities containing a minimum of 25,000 square feet per individual use shall be encouraged at specified locations, and similarly Land Use Category 5.213a. Revise the 25,000 square foot standard to reflect a mid-size pad size, perhaps 15,000 – 20,000 square feet as well as some smaller pads if they contain supporting /clustered uses.

Draft East Side Specific Plan

- The Draft East Side Specific Plan, which has not been adopted, provides advantageous updates to the current East Side Specific Plan. In particular, the proposal of a biotechnology overlay with some restrictions in East San Carlos (including the HIA), and supports the retention and strengthening industrial uses. The Draft Specific Plan also suggests environmentally oriented policies relating to traffic reducing strategies and mitigating impacts on Puglas Creek which support the community's goal of supporting sustainability.

Zoning Regulations

- South Plaza is currently zoned Restricted Multiple Family (R-3). To allow for possible mixed use development in the future, the zoning should be modified.
- If a parking structure is to be built in the Central Retail Core, the zoning will need to be amended to allow for a public garage.
- In the Light Industrial District and Planned Manufacturing, bio-technology uses require Planning Commission approval. If the City is to target this industry, it may want to eliminate or modify this restriction.
- The former Bruener's area is zoned heavy industrial, though the East Side Specific Plan considers the area Regional Retail. The City should consider rezoning the area for a variety of uses including mid to large plate retail.

APPENDIX D – PUBLIC OUTREACH

Survey Results

An online survey was conducted for a period of three weeks. Questions were formulated based on input received at the public meeting and from other outreach efforts.

Agree and Disagree Statements (Sorted by Total Agree & Total Disagree)

<i>Rank</i>	<i>Statement</i>	<i>Strongly</i>		<i>Total</i>		<i>Strongly</i>		<i>Total</i>	
		<i>Agree</i>	<i>Agree</i>	<i>Agree</i>	<i>Disagree</i>	<i>Disagree</i>	<i>Disagree</i>	<i>Disagree</i>	
1	The City should actively recruit new businesses	241	458	699	34	12		46	
2	A mix of local and chain retailers is important to the economic vitality of the city	252	421	673	98	28		126	
3	El Camino Real needs significant aesthetic improvements	327	326	653	86	19		105	
4	I do most of my retail shopping at a mall or larger retail center	210	436	646	152	56		208	
5	I am likely to remodel some portion of my home in the next 5 years	304	320	624	126	50		176	
6	San Carlos needs another grocery / market	332	277	609	159	53		212	
7	San Carlos should develop a "green retail and design district" on the East Side	254	342	596	70	37		107	
8	The El Camino Real needs to develop an identity	244	341	585	119	42		161	
9	San Carlos should have more things to entertain 12 - 18 year olds	181	386	567	87	40		127	
10	Hwy 101 at Holly should be reconfigured/Holly widened to accommodate traffic	268	295	563	153	68		221	
11	I purchase most of my groceries OUTSIDE of San Carlos.	236	303	539	211	121		332	
12	Railroad land development should include retail shops in addition to housing	165	367	532	124	71		195	
13	San Carlos should recruit bio-tech industries	157	324	481	105	38		143	
14	San Carlos needs a brew pub / micro-brewery similar to Gordon Biersch	193	279	472	161	77		238	
15	San Carlos should have more things to entertain 3 - 11 year olds	181	282	463	145	43		188	
16	San Carlos should have more things to attract and entertain 18 - 30 year olds	150	291	441	142	65		207	
17	San Carlos should have a movie theater	129	224	353	245	136		381	
18	The downtown is struggling to maintain sales	84	252	336	135	17		152	
19	Wheeler Plaza should be redesigned to accommodate mixed use development	89	243	332	159	88		247	
20	Wheeler Plaza should be renovated to accommodate more businesses	82	248	330	175	58		233	

Agree and Disagree Statements (Sort by Total Agree & Total Disagree)

<i>Rank</i>	<i>Statement</i>	<i>Strongly Agree</i>	<i>Agree</i>	<i>Total Agree</i>	<i>Disagree</i>	<i>Strongly Disagree</i>	<i>Total Disagree</i>
21	Certain blocks of Laurel Street should be permanently closed to create a mall	125	165	290	301	221	522
22	Downtown needs a parking structure	77	207	284	309	163	472
23	San Carlos needs an upscale hotel	61	206	267	266	118	384
24	I would like San Carlos to have a Kohl's store or similar	105	160	265	183	256	439
25	Flood control is a major problem for San Carlos	54	205	259	259	25	284
26	I would like San Carlos to have a Target or similar store.	96	163	259	241	344	585
27	San Carlos needs more housing	69	147	216	308	138	446
28	I would like San Carlos to have a Fry's Electronics store or similar	55	113	168	299	330	629
29	Laurel Street should allow for 4 story structures	43	116	159	345	289	634

Ranked Questions

Please choose the answer that best finishes the following statement.

	Responses	% Total
I _____.		
Am a resident of San Carlos	742	78%
Am a resident and business owner in San Carlos	62	7%
Am a resident of a nearby city	58	6%
Work in San Carlos	19	2%
Am otherwise affiliated with San Carlos	15	2%
Own a business in San Carlos	11	1%
Respondents	907	96%
(skipped this question)	40	4%
Total	947	100%

If you are a resident how long have you been living in San Carlos?

	Responses	% Total
10 or more years	456	48%
6-10 years	180	19%
3-5 years	156	16%
0 - 2 years	67	7%
Not a resident	62	7%
Respondents	921	97%
(skipped this question)	26	3%
Total	947	100%

Approximately how far do you travel to work?

	Responses	% Total
Up to 10 miles (e.g. South San Francisco or Palo Alto)	312	33%
I work in San Carlos	220	23%
Up to 25 miles (e.g. Hayward)	183	19%
N/A	122	13%
Over 25 miles	34	4%
Other (please specify)	68	7%
Respondents	939	99%
(skipped this question)	8	1%
Total	947	100%

Ranked Questions

I would like to see more _____ in San Carlos.

	Responses	% Total
(Check any that apply.)		
Local parks and recreation programs	510	54%
Grocery retailers	487	51%
Regional or national retailers	290	31%
Bio-tech companies	241	25%
Housing	147	16%
Hotels	89	9%
Office space	62	7%
Other (please specify)	340	36%
Respondents	907	96%
(skipped this question)	39	4%
Total	946	100%

What do you see as the biggest threat to San Carlos' future?

	Responses	% Total
(Check up to 3.)		
Nothing to draw people to Laurel Street from El Camino Real	325	34%
Lack of cohesive vision for the future	324	34%
Poor traffic circulation	256	27%
Too much retail competition from local cities (e.g. San Mateo)	234	25%
Poor marketing strategies & lack of marketing by local merchants in SC	229	24%
City is difficult to work with	189	20%
Lack of city identity or branding	180	19%
Lack of available land for new development	143	15%
Poor freeway access	117	12%
Lack of housing variety (homes, condos, apts)	84	9%
Small parcel sizes	83	9%
Too much retail competition from big cities (e.g. San Francisco)	67	7%
Other (please specify)	241	25%
Respondents	892	94%
(skipped this question)	54	6%
Total	946	100%

Please choose the answer that most closely represents your opinion.

	Responses	% Total
More apartments and condos should be built in San Carlos _____.		
Only after a series of public forums so the residents can be involved in the process	206	22%
Under no circumstances	198	21%
As a part of a mixed use project	170	18%
Only if they are built in the downtown or near the freeway	134	14%
To attract young professionals	116	12%
To meet the needs of our population	93	10%
Respondents	917	97%
(skipped this question)	30	3%
Total	947	100%

Ranked Questions

I would like better access to _____. (Check any that apply.)

	Responses	% Total
Restaurants	419	44%
Retail shopping	364	38%
Mid-box retail (REI, Nordstrom Rack, Borders)	282	30%
Big-box retail (Best Buy, Target, Lowe's)	184	19%
Health care providers	146	15%
Hotels	51	5%
Office Space	34	4%
Other (please specify)	202	21%
Respondents	801	85%
(skipped this question)	145	15%
Total	946	100%

Attracting new businesses should be a _____ priority for San Carlos.

	Responses	% Total
Medium	438	46%
High	388	41%
Low	69	7%
No opinion	33	3%
Respondents	928	98%
(skipped this question)	19	2%
Total	947	100%

In your opinion if San Carlos were to attract new businesses what kind of business types should it target? (Check up to 3.)

	Responses	% Total
Arts and entertainment	524	55%
Retail stores	445	47%
Environmentally-friendly manufacturing and retail	351	37%
Socially responsible businesses	330	35%
Bio-tech	287	30%
Information technology and internet-related	270	29%
Health care	161	17%
Hotels	83	9%
Financial and insurance	69	7%
Tourism	51	5%
I would prefer not to see any new businesses	34	4%
Building materials	33	3%
Manufacturing	30	3%
Warehousing and distribution	14	1%
Other (please specify)	118	12%
Respondents	910	96%
(skipped this question)	36	4%
Total	946	100%

Ranked Questions

Do you have any other comments regarding economic development or the business community in San Carlos?

	<i>Responses</i>	<i>% Total</i>
Respondents	465	49%
(skipped this question)	481	51%
Total	946	100%

Do you have any comments or clarifications to make on the survey questions you have just completed ?

	<i>Responses</i>	<i>% Total</i>
Respondents	262	28%
(skipped this question)	684	72%
Total	946	100%

In what way would you like to be involved in San Carlos' economic development in the future? (Check any that apply.)

	<i>Responses</i>	<i>% Total</i>
Receive emails	537	57%
Receive mailings	151	16%
Attend workshops	151	16%
Join a committee	122	13%
Provide meeting space	11	1%
I would prefer not to be involved	120	13%
Respondents	738	78%
(skipped this question)	208	22%
Total	946	100%

Public Meeting Results

On February 28, 2007, a community meeting was held at the San Carlos Library to solicit input from residents, business owners, and other community members. The meeting began with a general information session followed by breakout groups and a final recap at the end of the night. Like this Plan, breakout groups were based on four geographic regions: the Downtown, the El Camino Real, the East Side, and the Harbor Industrial Area. The following represents the sentiments, opinions, and suggestions that were shared with facilitators.

Downtown

Aesthetics

- Downtown should maintain image of small-town main street / keep local feel
- Southern Laurel Street should have improvements like the 600-800 blocks
- Laurel Street needs better planters
- Laurel Street should have a connecting theme for the entire length, not just between Arroyo Avenue and San Carlos Avenue
- More maintenance should be done along Laurel

Uses

- Zoning should be relaxed to allow flexibility between commercial and retail
- 50 foot height limit should be maintained
- Wheeler should be remade as a mixed use development to attract larger retail users
- Wheeler should be left as it is
- Bell Market should stay a market such as Draegers, Oakville Market, or Sigonas
- The Bell Market site should be redesigned to accommodate several smaller tenants for a cluster of chain retailers
- Downtown should have a micro-brewery
- Should be more “activity” uses like a movie theater, book store, ice cream shop for all age groups
- Other suggested tenants: Baby Gap, Borders, Restoration Hardware, Williams Sonoma, a juice bar like Jamba Juice
- More full-service restaurants are needed such as sushi, Chinese, Mexican, and a fish house
- Live music should be encouraged at restaurants or plaza areas if developed
- Develop more retail further down on Laurel Street
- Should develop some housing above retail for new projects
- No need for a 99-Cent Store

Infrastructure

- Close off portions of Laurel Street to develop pedestrian plaza with entertainment or activities
- City should build a parking structures
- City should not build a parking structure

Other Suggestions

- City building department is difficult to work with for businesses and homeowners and should be more customer-oriented
- City Hall is not pro-business
- City staff is disconnected from the City Council and should develop more cooperation
- City should have more active recruitment of businesses
- Large vehicles should not be allowed to park on Laurel Street

El Camino Real

Aesthetics

- El Camino should have an identity that showcases San Carlos with unique design guidelines
- Should become a more pedestrian friendly area with better lighting and wider sidewalks
- Needs more trees and landscaping
- Should be more aesthetically appealing
- Should have a façade improvement program
- Capitalize on the history of the street

Uses

- Create a unique destination: uses on El Camino should draw people in and be active all times of day including nightlife
- Create synergy between the El Camino and Laurel Street so people flow from one to the other
- Good place for community and public uses such as churches or other community meeting places
- Good place for mixed use development
- Suggested uses: pet hospital, national brand retailers, upscale wine bar and/or upscale deli with tables outside, upscale boutiques, theater, bowling alley, more nightlife uses, skate park
- Uses should bring in revenue
- Should be teenage/kid friendly

Infrastructure

- Parking should not be moved further from the train station
- Parking should be on the train side
- Alleys to Laurel Street should be closed to provide more space for businesses
- Current circulation makes it difficult to get in and out of businesses
- Sensitive uses should not be built near the train tracks
- A park and ride should be put at Howard Avenue with a well-landscaped parking lot

Other Suggestions

- Taller buildings should be on the train side
- Should not be overbuilt

East Side

Uses

- Big box retail should be along Industrial Road
- Target or similar store would be a good revenue-generating use
- Fry's Electronics would be a good revenue generator
- Attract more retail close to Highway 101
- East Side should remain a mix of housing, retail, hotels and bio-tech; hotels and bio-tech uses near Holly Street and Highway 101
- Encourage bio-tech uses if PAMF succeeds
- Loft housing could be developed above retail
- Should develop more entertainment uses for the 20-30 year old demographic
- Restaurant suggestions: Marie Callender's, In-N-Out, TGI Friday's, P.F. Changs, a micro-brewery, preferably with live music
- Develop a "Green Enterprise Zone" near Highway 101; suggested tenants would be green building materials retail, design centers, salvage centers for recycling and reclaimed products, artist lofts

Infrastructure

- Holly Street needs to be fixed to accommodate more traffic
- Utilize eminent domain to widen Holly Street
- Signals should be timed better at the Holly Street and Brittan Avenue entrances to Highway 101
- Brittan Avenue should be a full interchange with Highway 101

Other Suggestions

- City should provide more parks and sports programs
- Relax the PM1 / PM2 zoning regulations
- Use LEED guidelines to develop city-wide standard for new construction

Harbor Industrial Area

Uses

Note: the group was eager to discuss options for the Palo Alto Medical Foundation site if the hospital proposal did not come to fruition; the items listed below were considered alternatives for the site

- Additional post office

- Mixed use retail and offices abutting the Highway 101
- Maintain R&D uses
- Potential for a Fry's Electronics, Target, or Bed Bath and Beyond by Highway 101

Infrastructure

- Big streets need to be upgraded
- Holly Street needs to be widened
- Develop another east-west thoroughfare

Other Suggestions

- School facilities should be improved
- City needs a community center with a theater
- City needs a grocery store

APPENDIX E – BUSINESS SUPPORT AND RECRUITMENT

Cities, chambers of commerce, or other community partners can offer a variety of local incentives in addition to state incentives in order to attract business relocation. Common business recruitment package strategies include: loans, grants, tax relief, bonds, training programs, and other specifically-tailored approaches. The list below offers examples of programs other communities use as suggestions.

Loans

Loan programs can be tailored to a specific type of business such as small businesses.

- Many city or redevelopment agencies may make loans available for expanding small businesses, for façade improvements, or for minority-owned businesses.
- The California Capital Small Business Development Corporation makes micro-loans to small businesses that are unable to obtain loans elsewhere.

Grants

Some jurisdictions offer small grants in order to encourage new businesses in certain locations. The funding for these grants may come from other state or federal sources (i.e. Community Development Block Grant Program).

- A city may begin offering business start-up grants or matching funds for improvements.

Bonds

Some jurisdictions offer bonds for very specific projects and employers.

- An example: Salt Lake City's Department of Economic Development offers Industrial Revenue Bonds for building construction, renovation, and equipment of manufacturing facilities. The bonds are exempt from federal income tax.

Training Programs

Some localities offer free customized employee training programs.

- San Carlos' Chamber of Commerce offers some training programs already. Other local non-profit organizations are available to augment these programs.

Other Programs

Some local jurisdictions pursue other unique strategies that are tailored to fit their area.

Examples:

- The California Main Street Program administered by the California Office of Historic Preservation provides training; information, research, and referral services, and technical assistance for cities interested in revitalizing central business districts to specified standards. Specific programs are designed to

meet the needs of the community. Cities that have used this program include Arcata, Oceanside, Salinas, Hanford, Grass Valley and San Diego.

- The City of Collierville offers a “Fast Track” permit program to expedite building and permits for businesses.
- Over-the-Rhine Chamber of Commerce (Cincinnati) has a coordinated program called Business First Adventure which encourages certain types of businesses (arts, affordable food service, retail, etc.) and provides relocation benefits for approved incoming businesses. The Chamber provides matching grants of up to \$20,000 for tenant improvements, short-term rental subsidies and a mentoring program.

Online Resources for Businesses

- The U.S. Small Business Administration offers online support, how-to's, and loans for starting and growing small businesses; also provides links to grant opportunities. www.sba.gov
- The SCORE (Service Corps of Retired Executives) organization has local groups in San Francisco and the Silicon Valley. SCORE offers counseling, workshops, and other information for businesses. A SCORE representative holds weekly business hours and offers counseling and training at the San Carlos Chamber of Commerce offices. In addition, the SCORE representative will meet with local San Carlos businesses and potential businesses at the San Carlos Chamber by appointment. www.sfscore.com or www.svscore.com

APPENDIX F – GREEN RESOURCES

Communities have a wide range of resources available to them as they initiate green programs and policies. While San Carlos would like to eventually become a model standard of an environmentally conscientious city, it's early steps must be simple ones. Given the lack of resources the City has, it should try to take full advantage of available assistance. The programs and web links below are offered as suggestions for guiding the City and residents down this path. The City should consider offering some of these links on their website for residents to explore.

Online Resources for the City and Residents

- Recycleworks of San Mateo County offers general information including where to recycle goods, sustainability, where to buy green products, and how individuals can get involved. A series of links to other programs are also given. www.recycleworks.org
- National Recycling Coalition (NRC) leads the National Recycling Partnerships Model Cities Program, which is a pilot study to help four communities develop best practices. www.nrc-recycle.org Their California partner, the California Resource Recovery Association (CRRRA), offers workshops and other educational opportunities for waste reduction. www.crra.com
- California's energy marketing campaign, "Flex Your Power", has a web page full of information on energy conservation and awareness. Visitors to the site are also able to search by zip code for rebates and tax credits for purchasing energy-saving devices. Current offers include rebates from PG&E and the U.S. Department of Energy for energy efficient appliances, doors, roofs, heating and cooling devices, and other building materials. A substantial amount of money is available for use of energy-efficient materials in affordable housing construction meeting certain guidelines. www.fypower.com

Online Resources for City, Schools, and Businesses

- The Association of Bay Area Governments (ABAG) offers a certification program for businesses to become more sustainable. The City is already a member of their Bay Area Green Business Program, and should encourage other businesses to go through the certification process. www.abag.ca.gov/bayarea/enviro/qbus/qb.html
- The International Council for Local Environmental Initiatives (ICLEI) offers local governments resources and programs for reducing their impact on the environment. San Carlos can become a member for an annual fee of \$600, or begin by utilizing the information posted online before considering full membership. www.iclei.org
- The Mayors' Climate Protection Agreement was designed as means for cities to join in reducing global warming pollution similar to the Kyoto Protocol and

has been signed by 494 mayors across the United States. The City of Seattle's webpage offers more information on the Agreement, how San Carlos can become involved, and other resources for local governments. www.seattle.gov/mayor/climate

- The Small Business Energy Alliance (SBEA) offers free energy audits and other services to help businesses become more energy efficient. The California Utilities rate payers and PG&E provide and monitor funding to this organization to offset the cost of services provided. www.sbeaonline.com
- The Business Alliance for Local Living Economies (BALLE) is a group of businesses dedicated to sustainable practices. BALLE has a series of local networks, including one based in San Francisco. More than just a green advocate, BALLE promotes the small, local business and producer to keep local economies vibrant. www.livingeconomies.org
- Green Communities offers grant assistance for green affordable housing developments. www.greencommunitiesonline.org
- The Database of State Incentives for Renewables and Efficiency offers federal and state information on property tax exemptions, state rebates, and state loan programs for energy efficiency in schools or local government buildings. www.dsireusa.org
- The Go Green Initiative is directed at greening schools. The program is free to join and can be adopted by a city, a school district, a single school, or a Parent Teacher Association. www.gogreeninitiative.org
- Green Seal is a non-profit organization that offers assistance, primarily to governments and the lodging industry to support greening efforts. The organization provides manuals and other guidance for green purchasing, building, and operations. www.greenseal.org
- The California Pollution Control Financing Authority administers the Sustainable Communities Grant and Loan Program. This is a highly competitive grant and loan program to help communities implement certain sustainable practices. The current funding cycle ends July 16, 2007, but there may be other funding rounds in the future to consider applying for. www.treasurer.ca.gov/cpcfca

Online Resources for a Green Building Program

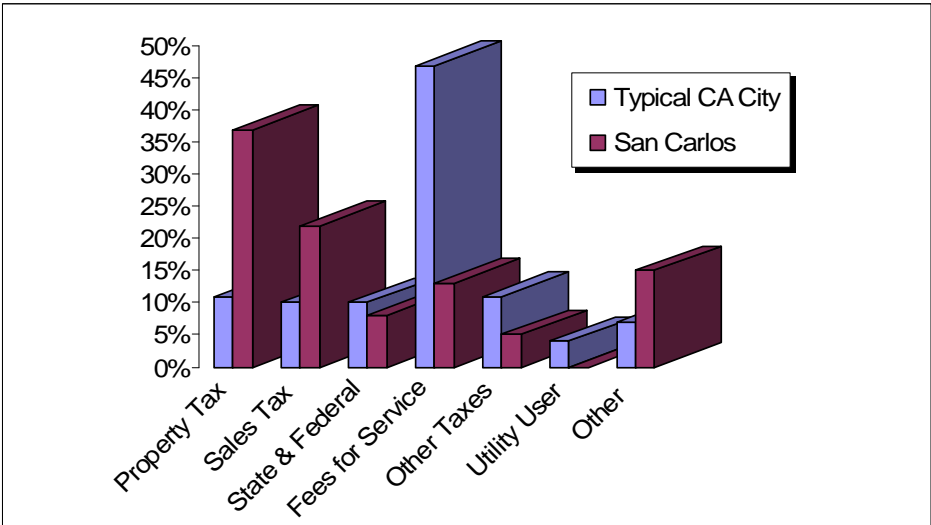
- The Local Government Green Building Initiative is an affiliate of Global Green, www.globalgreen.org, that partners with local governments to establish green building guidelines. The Initiative provides needs assessment, program design, and educational opportunities among other services. Recent clients include San Francisco, San Jose, and San Mateo County. www.globalgreen.org/greenbuilding/localGov.html
- The U.S. Green Building Council (USGBC) is the organization that developed the LEED (Leadership in Energy and Environmental Design) Green Building Rating System. The USGBC and their local chapters can provide resources

for developing local guidelines. The City can become a member for \$500 per year, although the website offers free resources as well. The USGBC also administers the LEED Accredited Professionals (LEED AP) program, which certifies individuals as having a thorough understanding of green building practices. The City should consider encouraging all new construction or substantial rehabilitation projects to have a LEED AP involved. The Northern California Chapter webpage provides information on local resources such as speaker programs or finding local professionals. www.usgbc.org or www.usgbc-ncc.org

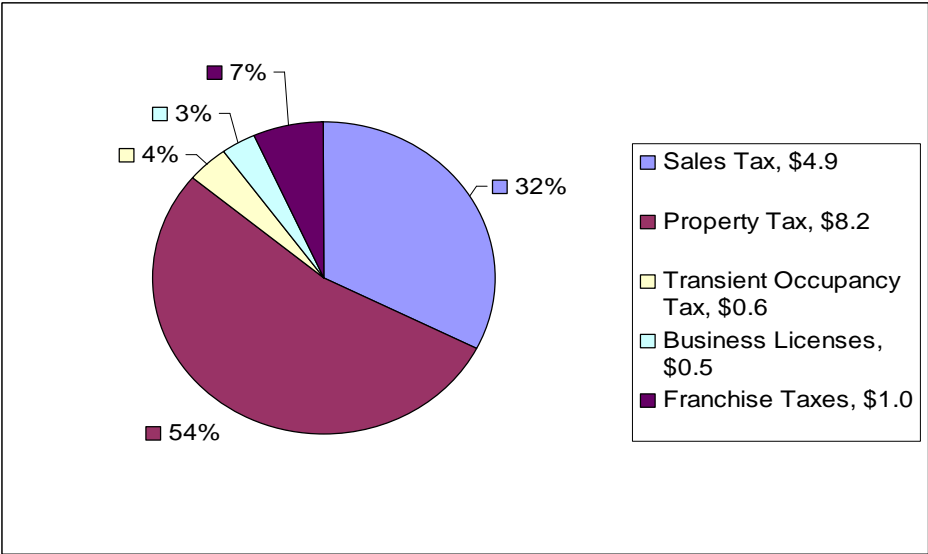
- Several local governments have initiated green building programs in their communities. The list below offers some examples.
 - The County of San Mateo, CA offers a handbook on green building guidelines and checklist for various product types. www.recycleworks.org/pdf/GB-guide-2-23.pdf
 - The City of Oakland, CA Environmental Services Division provides design guidelines for projects. www.oaklandpw.com/page46.aspx
 - City of Mission Viejo, CA established a voluntary program that provides a “scorecard” for residential home construction and remodels. If a certain number of points are achieved, expedited plan review is granted. www.cityofmissionviejo.org/depts/cd/green_building/green_building_pilot_program.pdf
 - The City of Santa Monica, CA offers grants to developers of commercial, mixed use, and affordable housing projects who follow the LEED standards. Grants range from \$20,000 to \$35,000. Permits for LEED certified buildings are expedited. www.greenbuildings.santamonica.org
 - The City of Portland, OR offers a Green Investment Fund competitive grant program for green building projects that meet four goal areas: energy, materials, water, and stormwater. <http://www.portlandonline.com/shared/cfm/image.cfm?id=141059>
 - The County of Marin, CA has designed an incentive program that offers Title 24 energy fee waivers, permit fast-track review, and design review waivers for energy efficiency. www.co.marin.ca.us/depts/CD/main/comdev/advance/BEST/incentive.cfm
 - The City of Scottsdale, AZ offers an incentive program for expedited plans, marketing, and technical support for green building projects addressing the following six areas: site use, energy, indoor air quality, building materials, solid waste, and water. www.scottsdaleaz.gov/greenbuilding/ProgramOverview.pdf

APPENDIX G - CITY REVENUE SOURCES

Cities receive revenues from a number of different sources. When Proposition 13 became law in 1978, restrictions were placed on how new taxes could be assessed, most of which require voter approval. Thus, local governments now require economic development strategies to improve revenues without assessing new taxes. In the case of San Carlos, economic development will increase (a) sales tax through business development, (b) property tax through property improvements or property sales, and (c) transient occupancy tax as more people are attracted to San Carlos as a place to stay, particularly if a new hotel(s) is developed. The following chart illustrates where San Carlos receives its revenues from, and where the typical California city acquires revenues from.



This chart identifies the revenues from taxes that San Carlos received in Fiscal Year 2005-06.



The following discussion gives more detail to revenue sources and is intended as a general reference point for information on the City General Fund revenues and other information presented in the Plan.

Property Taxes

The City receives a portion of the property tax share of the general (1 percent) tax levy for properties in the city that are not within the Project Area. The tax is based on assessed value as determined by the County Assessor. The City's share of this property tax levy is roughly 11%, though the exact rate varies between tax rate areas. The amount of property tax revenue the City receives will increase as vacant or empty parcels are developed or redeveloped and their assessed value goes up.

Property Transfer Taxes

Each time property changes hands, a tax is assessed based on the sale price of the property. For every \$1,000 of property value transferred within the city, the City receives \$0.55. This tax applies to property inside and outside of the Project Area. On average, approximately 5% of the total assessed value changes hands each year. For the purposes of economic development, this revenue stream might see a short-lived increase if vacant properties are developed or redeveloped.

Sales Tax

The City receives 0.75 percent of the sales tax rate charged on taxable sales within its boundaries. On March 2, 2004, the state electorate approved Proposition 57 which in part mandates the exchange of one-quarter (0.25 percent) of the previous 1.00 percent sales tax revenues to cities for an equal amount of property tax revenues. These additional property tax revenues are referred to as "in-lieu sales taxes" or "triple flip revenue", and took effect on July 1, 2004; they continue until the state deficit bailout bonds are paid off in approximately 10 years, after which time it is presumed that in-lieu sales taxes would revert back to cities as sales tax revenue. Sales tax revenues for 2005-06

were estimated to be approximately \$6 million. The table below illustrates sales tax revenues by geographic area in San Carlos for fiscal year 2005-06.

<u>Sales Tax Revenues by Geographic Area</u>	
Harbor Industrial Area	7.6%
Laurel Street	8.4%
El Camino Real Corridor	28.2%
East Side	51.6%
All Other	4.2%
<u>Total</u>	<u>100.0%</u>

**Source: City of San Carlos*

Transient Occupancy Taxes

The City collects a 10 percent transient occupancy tax from local hotels. Increasing the number of occupied rooms will increase revenues from this tax. ERA's Market Study reports that San Carlos will be able to capture increased demand for hotels in the future, but not immediately. The East Side Specific Plan identifies two sites for landmark hotels to be located at the Highway 101 and Holly Street interchange. This Plan agrees that that land use designation should be maintained for future development in approximately five years as recommended by ERA.

Motor Vehicle License Fees and Vehicle In-Lieu Fees

The Motor Vehicle License Fee ("VLF") revenue is a subvention collected by the state and allocated to cities and counties based on a statutory formula. Following the VLF for Property Tax Swap of 2004, the majority of a city's VLF revenue is now replaced with property tax revenue (or Vehicle In-Lieu Fees) and increases as assessed value increases.

Utility User's Tax

In many cities, residents are subject to a Utility User's Tax that may apply to telephone, water, gas, electricity, and/or cable television bills. The tax rate varies, but is usually a percentage of the cost of service. San Carlos does not currently have a Utility User's Tax.

Franchise Fees

Franchise fees are implemented as part of a service agreement executed between local governments and a utility company. These service agreements are executed to ensure service to all customers in a territory. These fees are intended to reimburse local governments for use of public rights-of-way and other public services. Typically, a franchise fee is calculated on a percentage of the revenues derived from sales to customers in that territory. In San Carlos, waste haulers, utilities, and cable providers pay a franchise fee to the City. It is unlikely that economic development within the city will have a substantial impact on franchise fees.

Community Development Fees

Community development fees include planning and building fees for development and other permits. Presently, the City's Department of Community Development

and Public Works charges fees for many of its planning and building inspection services. Per Assembly Bill 1600, a public agency cannot charge fees which exceed the cost of the service rendered. Thus, community development fees are used for cost recovery, and are not a revenue source that can be enhanced beyond the cost of service.

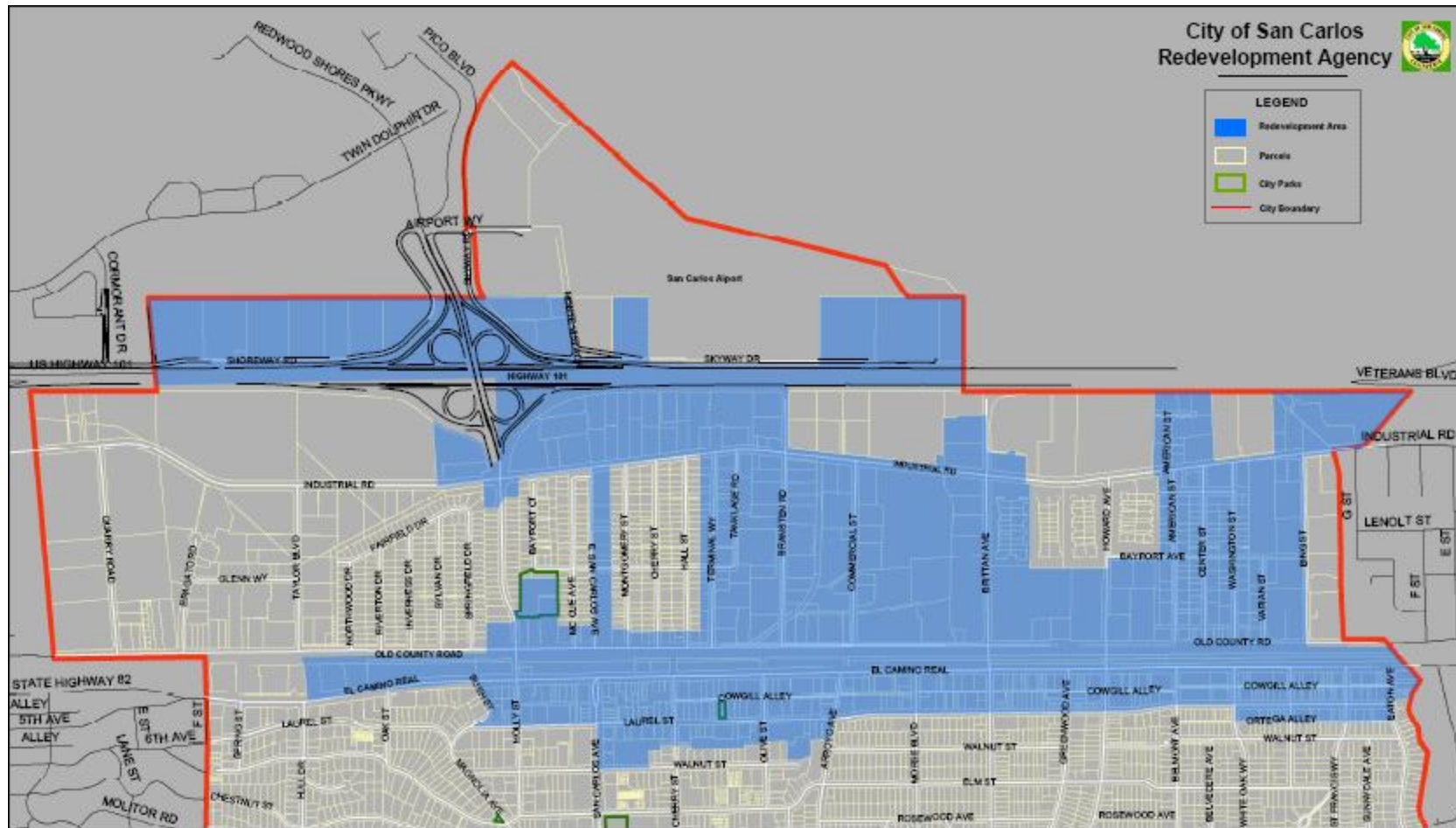
Business Registration Fees

The City requires that all businesses operating in San Carlos register and pay a fee, with fees depending on business type and number of employees.

Fines and Forfeitures

Revenue from these sources may include motor vehicle moving violation fines, parking fines, and criminal fines. This revenue source is not expected to be significantly impacted by economic development.

APPENDIX H – SAN CARLOS REDEVELOPMENT PROJECT AREA MAP



APPENDIX I – POTENTIAL USERS OF INTEREST

Apparel & Accessories

Name of Business	Category	Territory	Floor Plan Size (Sq. Ft.)	Preferred Property	Terms	Notes
Chico's	Apparel & Accessories	Nationwide	2,200-3,000	Lifestyle Center, Shopping Center	5-10 Year Primary, Options	Is actively increasing its amount of stores
GapKids	Apparel & Accessories	Nationwide	2,000	Downtown/Streetfront, Mall, Shopping Center	10-Year Primary, Options	
Solstice Sunglass Store	Apparel & Accessories	California + other states	750-1,300	Downtown/Streetfront, Lifestyle Center, Mall, Outlet Center	5-10 Years Primary (Downtown/Streetfront), 10 Years Primary (Malls)	Expanding amount of stores
Watch Station	Apparel & Accessories	Nationwide	500	Downtown/Streetfront, Outlet, Mall	5-Year Primary for Downtowns, 10-Years for Mall, Rent Restrictions	
Quiksilver	Apparel & Accessories (Athletic/Outdoors)	Nationwide	2,000-2,500	Downtown/Streetfront, Outlet, Mall	10-Year Primary for Downtowns, 5-Year Primary for Malls	
The Walking Company	Apparel & Accessories (Athletic/Outdoors)	Nationwide	1,500	Downtown/Streetfront, Mall	10-Year Primary	
Track N Trail	Apparel & Accessories (Athletic/Outdoors)	California + other states	1,500-1,600	Lifestyle Center, Mall	5-Year Primary, 5 Year Options	
Babies 'R' Us	Apparel & Accessories (Children's)	Nationwide	38,000 (markets of 1,000,000 trade area) 24,000 (markets of 400,000 trade area)	Freestanding/Pad; Power Center	10-Year Primary, 15-20 Year Options	
Baby Gap	Apparel & Accessories (Children's)	Nationwide	3,500-8,000	Downtown/Streetfront, Mall 50,000- over 250,000	10-Year Primary, Options	
American Apparel	Apparel & Accessories (Family)	California, Florida, NY	3,500-4,000	Downtown/Streetfront	10-Year Primary	All sites must have 12 ft. min ceiling height, prefer 15 ft.
Banana Republic	Apparel & Accessories (Family)	Nationwide	4,500-6,000; 30,000 (Flagship Stores)	Downtown/Streetfront, Mall, Shopping Center	10-Year Primary, Options	
J. Crew	Apparel & Accessories (Family)	Nationwide	5,500	Downtown/Streetfront, Lifestyle Center, Mall	10-Year Primary, 10-Year Option	
A Pea in the Pod	Apparel & Accessories (Women's)	Nationwide	1,500-10,000 depending on # of brands	Downtown/Streetfront, Freestanding, Center, Mall	10-Year Primary, 10-Year Option	Other brands include: Motherhood Maternity, Mimi Maternity
Ann Taylor	Apparel & Accessories (Women's)	Nationwide	5,500	Downtown/Streetfront, Mall	10-Year Primary	Other Brands: Ann Taylor Loft
Bebe	Apparel & Accessories (Women's)	Nationwide	3,500	Downtown/Streetfront, Mall, Shopping Center	10-Year Primary, Options	Other Brands include Bebe Sport and Bebe O; Headquarters in Brisbane
Coldwater Creek	Apparel & Accessories (Women's)	Nationwide	3,500-5,500	Lifestyle Center, Shopping Center	10-Year Primary, Options	

**Apparel & Accessories
Continued**

Name of Business	Category	Territory	Floor Plan Size (Sq. Ft.)	Preferred Property	Terms	Notes
Forth and Towne	Apparel & Accessories (Women's)	Illinois, New York	8,000-10,000	Lifestyle Center, Mall	10-Year Primary, Options	New Concept store from Gap for women 35-55
J. Jill	Apparel & Accessories (Women's)	California + other states	4,000-5,000	Downtown/Streetfront, Mall	10-Year Primary	
Pottery Barn Kids	Apparel & Merchandise (Children's)	Nationwide	7,500	Mall	10-Year Primary	Headquarters in San Francisco
Original Levi's	Apparel (Specialty & Miscellaneous)	California + other states	10,000-15,000	Downtown/Streetfront	10-Year Primary	Headquarters in San Francisco
Sunglass Hut	Apparel and Accessories	Nationwide	500	Downtown/Streetfront, Outlet, Mall	5-10 Year Primary, Options, Lease Restrictions	
Talbots	Apparel and Accessories (Women's)	California + other states	10,000-14,000	Mall, Shopping Center	10-Year Primary	Other Talbot's Stores include: Accessories & Shoes, Kids, Mens, Outlet, and Petities
Tommy Bahama	Apparel, Home Furnishings, Restaurant	California + other states	6,000 (Apparel & Furniture), 10,000-12,000 (Apparel, Furniture, and Restaurant)	Freestanding/Pad, Lifestyle Center	10-Year Primary	

**Beauty/Health
Products/Services**

Name of Business	Category	Territory	Floor Plan Size (Sq. Ft.)	Preferred Property	Terms	Notes
Aveda	Beauty/Health Products/Services	Nationwide	800-1,200	Downtown/Streetfront, Mall	5-10 Year Primary	
Bath and Body Works	Beauty/Health Products/Services	Nationwide	2,500 (Home store format); 6,000 (Co-Brand)	Downtown/Streetfront, Mall, Shopping Center	5-Year Primary, 5-Year Option	Co-Brand: White Barn Candle Company
GapBody	Beauty/Health Products/Services	Nationwide	2,000	Downtown/Streetfront, Mall, Shopping Center	10-Year Primary, Options	Headquarters in San Bruno
L'Occitane	Beauty/Health Products/Services	Nationwide	800-1,000	Downtown/Streetfront, Lifestyle Center, Mall	10-Year Primary	
Sephora	Beauty/Health Products/Services	California + other states	4,500-7,000 minimum	Downtown/Streetfront, Power Center, Mall, Shopping Center	10-Year Primary, Options	Headquartered in San Francisco
The Body Shop	Beauty/Health Products/Services	Nationwide	1,100-1,200	Downtown/Streetfront, Mall	10-Year Primary, Options	

Home Products

Name of Business	Category	Territory	Floor Plan Size (Sq. Ft.)	Preferred Property	Terms	Notes
Barbeques Galore	Home Furnishings	California + other states	5,000-6,000	Freestanding/Pad, Shopping Center	10-15 Year Primary, Options	
CB2 (Crate and Barrel)	Home Furnishings	California & New York	9,000 sq. ft.	Downtown/Streetfront	10-15 Year Primary, Options	Smaller version of Crate and Barrel for downtown/streetfronts
Cost Plus World Market	Home Furnishings	Nationwide	18,300	Freestanding/Pad, Power Center	10-Year Primary, 15-Year Option	Headquarters in Oakland
Design Within Reach	Home Furnishings	Nationwide	2,500-4,000	Downtown/Streetfront, Lifestyle Center	10-Year Primary, Options	Headquarters in San Francisco
EasyLife Furniture	Home Furnishings	California	15,000-25,000	Downtown/Streetfront, Shopping Center	10-Year Primary, Options	Concentrates on Southern California
EXPO (EXPO Design Center)	Home Furnishings	Nationwide	92,000	Freestanding/Pad	10-Year Primary	
Harvest Home	Home Furnishings	Bay Area				5 Bay Area Locations, including Menlo Park
La-Z-Boy Furniture	Home Furnishings	Nationwide	15,000-20,000	Freestanding/Pad, Lifestyle Center	10-15 Year Primary, Options	
Pier 1 Imports	Home Furnishings	Nationwide	10,000-11,000	Freestanding/Pad, Shopping Center	10-Year Primary, 10-Year Options	
Pottery Barn	Home Furnishings	Nationwide	10,000-12,000	Mall	12-Year Primary	Headquarters in San Francisco
Restoration Hardware	Home Furnishings	Nationwide	10,000-12,000	Downtown/Streetfront, Outlet, Mall, Shopping Center	10-Year Primary, 15-Year Option	Headquarters in Corte Madera
Sur la Table	Home Furnishings	Nationwide	5,000-7,000			Similar to Williams Sonoma, Bay Area locations are in San Jose and San Francisco
Thomasville Furniture	Home Furnishings	California + other states	12,000-15,000	Power Center, Shopping Center	10-Year Primary, 10-Year Option	
Williams-Sonoma Home	Home Furnishings	Nationwide	5,000-7,000	Downtown/Streetfront, Mall	12-Year Primary	
Z Gallerie	Home Furnishings	California + other states	10,000	Mall, Shopping Center	10-Year Primary, 15 Year Option	All stores need 75 feet of frontage, expanding in California
Ace Hardware	Hardware/Home Improvement	Nationwide	14,000-20,000, includes 2,000 for home/garden area	Freestanding/Pad, Shopping Center 50,000-over 250,000	20-Year Primary	Looking to unveil smaller neighborhood concept store
Lowe's	Hardware/Home Improvement	Nationwide	97,000-116,000, plus 30,000 of outside space	Downtown/Streetfront, Freestanding/Pad, Power Center	12-15 Year Primary	

Home Products Continued

Name of Business	Category	Territory	Floor Plan Size (Sq. Ft.)	Preferred Property	Terms	Notes
Orchard Supply Hardware	Hardware/Home Improvement	California	45,000-65,000, including 7,000-9,000 outside for nursery	Power Center, Shopping Center	15-Year Primary, 15-Year Option	
True Value	Hardware/Home Improvement	Nationwide	5,000-6,000 or 8,000-15,000	Downtown/Streetfront, Freestanding/Pad, Shopping Center	10-Year Primary	
Ethan Allen	Furniture	Nationwide	20,000-30,000	Freestanding/Pad, Shopping Center	10-Year Primary, Options	
Strictly Furniture	Furniture	California, New York	10,000	Downtown/Streetfront		
Aaron Brothers	General Merchandise	California + other states	5,900-6,100	Freestanding/Pad, Shopping Center	10-Year Primary	
Anna's Linens	Bed & Bath Accessories	California + other states	7,000-10,000	Power Center, Mall, Shopping Center	5-10 Year Primary, 5-Year Options	Expanding amount of stores
Bed Bath & Beyond	Bed & Bath Accessories	Nationwide	23,000-85,000	Lifestyle Center, Power Center	10-Year Primary, Options	
Linens 'n Things	Bed & Bath Accessories	Nationwide	25,000-50,000	Freestanding/Pad, Lifestyle Center, Power Center	10-Year Primary, 15-Year Option	
Costco	Membership Warehouse Club	Nationwide	136,000-148,000	Freestanding/Pad	20-Year Primary, 20-Year Option	Prefers to Own Land
Yankee Candle	Candles/Accessories	California + other states	1,200-1,500 (Malls and Lifestyle Centers), 2,000-3,000 (Power Centers)	Lifestyle Center, Mall, Power Center	10-Year Primary	
Pier 1 Kids	Children's Furniture	Northest, Florida, Texas	4,500-5,000	Lifestyle Center	10-Year Primary, 10-Year Options	Currently not pursuing California
Armstrong Garden Center	Nursery/Garden Center	California	4,800-6,000, plus 32,000 outdoor sales area	Freestanding/Pad	20-25 Years Primary and Options	
Apple Stores	Consumer Electronics	Nationwide	3,500-10,000 (flagship stores), 1,600 regular stores	Downtown/Streetfront, Mall		
Circuit City	Consumer Electronics	Nationwide	34,000 sq. ft.	Freestanding/Pad, Power Center, Shopping Center	20-Year Primary, Options 5-25 Years	
Comp USA	Consumer Electronics	California + other states	21,000-28,500	Downtown/Streetfront, Freestanding/Pad, Shopping Center	15-20 Year Primary, Options	
Fry's Electronics	Consumer Electronics	California + other states	130,000-140,000	Freestanding/Pad, Shopping Center	10-Year Primary	Headquarters in San Jose
RadioShack	Consumer Electronics	Nationwide	2,400-2,500	Downtown/Streetfront, Freestanding/Pad, Shopping Center	5-Year Primary, 10-Year Option	
The Sharper Image	Consumer Electronics	Nationwide	4,000	Downtown/Streetfront, Lifestyle Center, Mall	10-Year Primary	Headquartered in San Francisco

Food

Name of Business	Category	Territory	Floor Plan Size (Sq. Ft.)	Preferred Property	Terms	Notes
Whole Foods Market	Natural Foods Market	Nationwide	40,000-70,000	Downtown/Streetfront, Freestanding/Pad, Shopping Center	10-Year Primary, Options	Expanding amount of stores, recently purchased Wild Oats
Henry's Farmers Market	Natural Foods Market	California, Arizona, Nevada	26,000	Freestanding/Pad, Shopping Center	10-Year Primary, 25-Year Option	A division of Wild Oats Markets
Bristol Farms	Gourmet Foods	California				Currently only in Southern California, looking to expand to Northern California
Draeger's Market	Gourmet Foods	San Mateo, Los Altos, Menlo Park				Upscale grocery store with 3 peninsula locations
Sigona's Framers Market	Gourmet Foods	Palo Alto, Redwood City				Two locations currently, Palo Alto and Redwood City. Upscale gourmet market.
Dean & Deluca	Natural Foods Market, Restaurant	California + other states	8,000-15,000 (Specialty Food Markets); 1,600-4,000 (Cafes)	Downtown-Streetfront	10-Year Primary	
Amici's East Coast Pizzeria	Restaurant (Casual)	Nothern California				9 locations in Bay Area, including several on Peninsula
Applebee's	Restaurant (Casual)	Nationwide	5,000	Freestanding/Pad	15-Year Primary	Grill and Bar
Boston's the Gourmet Pizza	Restaurant (Casual)	Select States	2,000-4,000	Malls, Shopping Centers, Downtown/Streetfront, Freestanding/Pad		2 southern california locations, looking to expand to other markets in California. Serves gourmet pizza but also has entrees such as salmon. Upscale wine list.
California Café	Restaurant	California + other states				Bay Area Locations include Los Gatos and Palo Alto, also locations in other states
Chilli's	Restaurant (Casual)	Nationwide	5,860 (Major Metro Areas), 3,929 (Medium to Smaller Markets)	Freestanding/Pad, Shopping Center	Rent: Flat for 20-Years, 10-Year Primary, 10-Year Option	Bar and Grill
Fresh Choice/Zoopa	Restaurant (Casual)	California + other states	6,000-7,000			California is main location
TGI Friday's	Restaurant (Casual)	Nationwide	5,000-9,000	Freestanding/Pad, Shopping Center	10-Year Primary, 20-Year Option	
Wine Cellar	Restuarant	Los Gatos				One location in Los Gatos
P.F. Chang's China Bistro	Restaurant (Chinese)	California + other states	7,000	Freestanding/Pad	5-10 Year Primary, 5-10 Year Options	
Ruby Tuesday	Restaurant (Family)	California + other states	4,600	Freestanding/Pad	10-15 Year Primary	Most new restaurants will be 5,600 sq. ft. buildings
Ponderosa Steakhouse	Restaurant (Steakhouse)	Nationwide	6,400-8,639	Freestanding/Pad, Shopping Center	20-Year Primary, Options	
Marie Callender's	Restaurant/Bakery	California + other states	6,000-7,100	Freestanding/Pad	10-15 Year Primary, 10-Year Option	
Coffee Bean and Tea Leaf	Specialty Beverage	California, Arizona, Nevada	400-1,500	Downtown/Streetfront, Shopping Center	5-Year Primary, 10-Year Option	Uses environmentally sustainable practices
Koots Green Tea Shop	Specialty Beverage	Seattle, Japan				Currently two stores in Seattle area, and several in Japan
Great Harvest Bread Company	Specialty Food (Baked)	Nationwide	1,500-2,400	Freestanding/Pad, Shopping Center		
Moonstruck Chocolate Company	Specialty Food (Chocolate)	Nationwide	500-1,000	Downtown/Streetfront, Shopping Center		Chocolates and café; closest location in San Mateo

Other

Name of Business	Category	Territory	Floor Plan Size (Sq. Ft.)	Preferred Property	Terms	Notes
Michael's Arts and Crafts	Arts/Crafts	Nationwide	23,500	Freestanding/Pad, Shopping Center	10-Year Primary	Prefers build-to-suit deals
Cambridge Sound Works	Audio/Video	California	2,000	Downtown/Streetfront, Mall		
Copeland Sports	Sporting Goods	California + other states	33,000	Freestanding/Pad, Shopping Center	10-Year Primary, Options	
The Sports Authority	Sporting Goods	Nationwide	40,000-45,000	Freestanding/Pad, Power Center	10-Years Primary, Options	
Toys 'R' Us	Toy/Hobby	Nationwide	40,000-45,000	Freestanding/Pad, Power Center	10-Year Primary, 15-20 Year Options	
1-800-Flowers.com	Specialty Retail	California + other states	1200	Shopping Center 50,000-250,000 (Sq. Ft.)	5-Year Primary, 10-Year Option	
Container Store	Specialty Retail	California + other states	22,000-29,000	Downtown/Streetfront, Freestanding/Pad, Lifestyle Center, Mall	10-Year Primary, 20 Year Options	Targets Major Metro areas, expanding at a record pace, currently not in Northern California.
Nine West	Shoes	Nationwide	3,000-3,500	Downtown/Streetfront, Mall	10-Year Primary, 10-Year Option	
New Balance	Shoes (Athletic/Outdoors)	California + other states	3,000-3,500	Downtown/Streetfront, Mall, Shopping Center	5-10 Year Primary, Options	
Aerosoles	Shoes (Women's)	California + other states	1,500-2,000	Lifestyle Center	10-Year Primary	
Barnes and Noble	Books	Nationwide	25,000-35,000	Downtown/Streetfront, Freestanding/Pad, Mall	10-Year Primary, 10-Year Options	
Borders	Books	Nationwide	22,500-25,000; 3,000-4,000 (Borders Express)	Downtown/Streetfront, Mall, Freestanding/Pad	15-Year Primary, Options	
Books Inc.	Books	California	3,200 - 5,000	Downtown/Streetfront		Headquarters in San Francisco
Discovery Channel Store	Collectibles/Souvenirs	Nationwide	2,700-3,200	Downtown/Streetfront, Lifestyle Center, Mall	10-15 Year Primary, needs option to break lease is sales are not met	Headquarters in Berkeley
Kohl's	Department Store	Nationwide	88,000 average, 60,000 (test small market format)	Freestanding/Pad, Shopping Center	20-Year Primary, Options	All stores need 320 feet of frontage
Target	Department Store	California + other states	125,000	Freestanding/Pad, Power Center, Mall	Land ownership	Interested in San Carlos
Tuesday Morning	Discounter	Nationwide	8,000-10,000	Shopping Center	5-Years Primary, Two 5-Year Options, Below Market Lease Rate	
The Vitamin Shoppe	Health/Fitness Products/Services	Nationwide	4,000	Freestanding/Pad, Power Center	10-Year Primary, Options (Two 2-Year Renewals)	

Breweries

Name of Business	Category	Territory	Floor Plan Size (Sq. Ft.)	Preferred Property	Notes
BJ's	Restaurant (Brewery)	California + other states	8,000-10,000	Lifestyle Center, Power Center, Freestanding/Pad, Downtown/Streetfront	Based in Huntington Beach, 35 stores in California, currently expanding to other states. Pizza and Beer
Gordon Biersch	Restaurant (Brewery)	California + other states	8,000-10,000	Lifestyle Center, Power Center, Freestanding/Pad, Downtown/Streetfront	About 7 new stores per year, also operates under 6 other brand names. Many sites in the Bay Area, including Palo Alto
Rock Bottom Restaurant and Brewery	Restaurant (Brewery)	California + other states	8,000-10,000	Lifestyle Center, Power Center, Freestanding/Pad, Downtown/Streetfront	Operates restaurant under Old Chicago, Walnut Brewery and ChopHouse & Brewery names as well. Current locations include Bay Area sites
21st Amendment	Restaurant (Brewery)	San Francisco	8,000-10,000	Lifestyle Center, Power Center, Freestanding/Pad, Downtown/Streetfront	One Location in San Francisco
Pyramid	Restaurant (Brewery)	West	8,000-10,000	Lifestyle Center, Power Center, Freestanding/Pad, Downtown/Streetfront	5 locations, bay area, sacramento, portland, seattle
Anchor	Brewery	San Francisco	8,000-10,000	Lifestyle Center, Power Center, Freestanding/Pad, Downtown/Streetfront	Brewery is in San Francisco
Lagunitas	Brewery	Petaluma	8,000-10,000	Lifestyle Center, Power Center, Freestanding/Pad, Downtown/Streetfront	Brewery is in Petaluma
North Coast	Restaurant (Brewery)	Fort Bragg	8,000-10,000	Lifestyle Center, Power Center, Freestanding/Pad, Downtown/Streetfront	One Location in Fort Bragg
Mendocino Brewing Company	Restaurant (Brewery)	Mendocino County	8,000-10,000	Lifestyle Center, Power Center, Freestanding/Pad, Downtown/Streetfront	One Location in Hopland
Bear Republic	Restaurant (Brewery)	Somona County	8,000-10,000	Lifestyle Center, Power Center, Freestanding/Pad, Downtown/Streetfront	One Location in Healdsburg
Anderson Valley	Brewery	Boonville	8,000-10,000	Lifestyle Center, Power Center, Freestanding/Pad, Downtown/Streetfront	Brewery is in Boonville
Sierra Nevada	Restaurant (Brewery)	Chico	8,000-10,000	Lifestyle Center, Power Center, Freestanding/Pad, Downtown/Streetfront	One Location in Chico
Los Gatos Brewing Company	Restaurant (Brewery)	Los Gatos	8,000-10,000	Lifestyle Center, Power Center, Freestanding/Pad, Downtown/Streetfront	One Location in Los Gatos

Ice Cream Shops

Name of Business	Category	Territory	Floor Plan Size (Sq. Ft.)	Preferred Property	Notes
Cold Stone Creamery	Specialty Food (Ice Cream)	Nationwide	800-1,500	Most sites ok	10-15% growth in stores per year, franchise stores
TCBY	Specialty Food (Ice Cream)	Nationwide	700-2,000, depending on the number of brands	Entertainment Center, Mall, Shopping Center	Other Brands include: Pretzel Time, Pretzelmaker, Mrs. Fields, Great American Cookies
Maggie Moo's	Specialty Food (Ice Cream)	Nationwide	300-1,200	Freestanding/Pad, Mall, Shopping Center, Power Center	
Dixie Queen	Specialty Food (Ice Cream)		800-1,500	Freestanding/Pad, Shopping Center	
Baskin-Robbins	Specialty Food (Ice Cream)	Nationwide	1,200-1,500 (Single Brand) 2,200 (Co-Brands)	Freestanding/Pad, Shopping Center	Other brands include: Togo's, Dunkin' Donuts
Melt Gelato and Crepe Café	Specialty Food (Ice Cream)	California + other states	800-2,000	Freestanding/Pad, Shopping Center	Many locations in California, franchise stores

Smoothie Shops

Name of Business	Category	Territory	Floor Plan Size (Sq. Ft.)	Preferred Property	Notes
Jamba Juice	Specialty Beverage (Frozen Drinks)	California + other states	800-1,500	Downtown/Streetfront, Shopping Center, Mall	Based in California
Smoothie King	Specialty Beverage (Frozen Drinks)	All except Northwest	700-1,400	Downtown/Streetfront, Freestanding/Pad, Power Center, Shopping Center	Expanding in California to complete with Jamba Juice
Tropical Smoothie Café	Specialty Beverage (Frozen Drinks)	Nationwide	1,300-1,800	Freestanding/Pad, Shopping Center	Expanding in California to complete with Jamba Juice
Planet Smoothie Café	Specialty Beverage (Frozen Drinks)	Nationwide	800-1,200	Malls and shopping centers	Expanding in California, same company owns Doc Green's Gourmet Salads
Dairy Queen/Orange Julius Treat Center	Specialty Beverage (Frozen Drinks)	Nationwide	600-800	Malls and shopping centers	Want to expand the co-brand treat centers

Wine Shops

Name of Business	Category	Territory	Floor Plan Size (Sq. Ft.)	Preferred Property	Notes
Wine Styles and Gifts	Gourmet Foods	California + other states	1,600, higher if wine bar is added	Downtown/Streetfront, Lifestyle Center, likes to have housing and retail close	Likes to be close to Chico's, Talbots, and Starbucks. Several Bay Area locations, but none on Peninsula. Franchise Stores
Vino 100	Gourmet Foods	Nationwide	1,200-1,400	Downtown/Streetfront, lifestyle centers, strip centers	Several northern california locations, but none in Bay Area, franchise stores
The Grape	Gourmet Foods	Southeast	2,500-3,000	Downtown/Streetfront	Dual Concept store, with retail and adjacent wine bar which serves food. Patio required.

Stationary Stores

Name of Business	Category	Territory	Floor Plan Size (Sq. Ft.)	Preferred Property	Notes
Recycled Original Card Shop	Paper/Gift Products	Nationwide	1,500-2,300	Downtown/Streetfront, Lifestyle Center, Mall	
Papyrus	Paper/Gift Products	California + other states	1,200	Downtown/Streetfront, Mall, Shopping Center	Headquarters in Fairfield, aggressive expansion
The Mole Hole of Naples	Gifts/Greeting Cards	California + other states	1,500-2,500	Downtown/Streetfront, Mall	
The Paper Source	Paper/Gift Products	California + other states		Downtown/Streetfront, Lifestyle Center	Several locations in upscale western markets

Green Stores - Limited Information

Name of Business	Category	Territory	Notes
Smith & Hawkin	Hardware/Home Improvement	Nationwide	Headquartered in Novato, carry's green products, home and garden supplies
Recycled Original Card Shop	Paper/Gift Products	Nationwide	
Organic To Go	Gourmet Foods	California + other states	Currently only pursuing Southern California
Pacific Green Furniture	Furniture	Nationwide	One location in Bay Area, Los Gatos. This location is their West Coast Headquarters
Environmental Building Supplies	Home Improvement	Oregon	Environmental Building Supplies and Design Center. Two locations in Oregon, Portland and Bend.
Living Green	Home Improvement	California	Green home furnishings and building supplies. Currently two locations, Santa Barbara and Los Angeles
Ambatalia Fabrics	Specialty Retail (Fabric)	Mill Valley	Hand-picked environmentally friendly fabrics. Currently one store in Mill Valley
Baksheesh	Specialty Retail (Gifts)	Wine Country	Fair Trade Retail which has handcrafted gifts from the developing world. Two locations, Sonoma and Healdsburg
Eco Goods	Clothing and Home Products	Santa Cruz	Organic, Recycled, and Non-Toxic Clothing, Hemp Products, Accessories, Gifts, Linens, Home & Hardware, and Furniture. One location in Santa Cruz.
Green Fusion Design Center	Home Improvement	Marin County	Design center featuring green building materials and home furnishings. One location in San Anselmo.
Oak Hill Farm of Sonoma	Flowers/Produce	Bay Area	Organic Flowers, Greens, and Produce. Products are grown in Sonoma County and sold at two retail locations, Glen Ellen and San Francisco.
Patagonia	Clothing	Nationwide	Outdoor clothing including products made from organic cotton and hemp. 7 California locations, 2 in bay area (San Francisco and Santa Cruz).

APPENDIX J – ECONOMIC DEVELOPMENT ADVISORY COMMISSION PRIORITY RANKINGS

EDAC Plan Review

The EDAC held two meetings to review the draft Plan in May 2007. The Plan was presented by RSG at the first meeting, and the EDAC returned the following week to discuss their individual opinions of the Plan's strategies, and to share their choices for the top five priorities the City should focus on.

The meeting ended with a motion to endorse the Plan and to send the City Council: (1) EDAC's collective top five priorities from the Plan; (2) a suggestion to consider mixed use development throughout the city; and (3) a copy of each EDAC Commissioner's comments regarding the list of priorities.

The EDAC did not establish a standardized format for comments, though each presented his or her priorities in order of preference. The section below reflects what each commissioner submitted to the group.

Laura Battaglia

Here is my top five and editorial comments regarding the Plan:

1. Recruit large plate retail - a "green" business like Target
2. Develop Landmark Hotel and restaurant combination on East side near 101
3. Develop Samtrans Railroad Project - include bookstore, housing
4. Develop Wheeler Plaza mixed use project - include a brewery or similar restaurant/bar
5. Develop Bell Market Site - with a grocery store/cafe

Mark Luckenbach

My Objectives priority rankings are based on:

1. Developing sources with the highest revenue potential
2. Developing within the shortest time frames possible
3. Keeping within "quality of life" standards

To that end, my Objectives rankings are as follows:

1. Recruit mid to large plate retail (East Side # 1)
2. Develop landmark hotel (East Side # 4)
3. Utilize railroad property as catalyst site (El Camino Real Corridor # 1)
4. Activate Wheeler Plaza (Downtown # 1)
5. Engage the Harbor Industrial Association (Harbor Industrial Area # 1)

Additional comments based on rankings:

1. In the Operational Changes section, I fully support Objectives 1, 2, 3 and 7 to support my ranked objectives.
2. Shoreway Road should be converted to large plate retail, not biotech, with the exception of retaining the Transfer Station

3. The area north of Brittan and bounded by Industrial and 101 should be converted to large plate retail (per the ERA Study)
4. HIA development should complement PAMF with medical offices and assisted living facilities, not biotech, and should include high rise.

Geoffrey Stern

Thoughts behind the list:

This list should be thought of from a business perspective: no to low cost involved with potential to bring in the largest income, that these be reachable and sustainable goals, and that can be started immediately.

1. Improving Partnerships - is a MUST, greatest resource we have - Operational Objective 1
2. Recruit Mid to Large Retail - potential tax \$ - East Side Objective 1
3. Activate Bell Market Site - recharge downtown with new energy - Downtown Objective 2
4. Sam Trans & Legacy - incredible potential for revitalization - Downtown Objective 3
5. Opportunities for funding - Operational Objective 3

Scot Marsters

1. Bell Market Site: need for an additional grocery store; look at the possibility of expanding the site to be more than just a grocery store
2. Railroad Property Site: work to make sure there is more retail possibly at the north end or between station and Holly
3. Wheeler Plaza: how to develop property without going to four stories
4. Recruit R&D and Biotech to East Side and Harbor areas
5. Landmark Site: begin process of recruiting Hotel and Restaurants

Here are a couple of other concerns and talking points:

1. Under Operational Objectives 1 "Improving Partnerships" - I think it might be useful to include homeowners groups where appropriate to hear concerns about projects and directions early to address problems early.
2. Under East Side Objective 1 "Recruit Mid to Large Plate Retail" - I have a concern with extending this all the way from Brittan Ave. to Holly St., I would like to see it extend from Brittan Ave. to Tanklage.

Gary Wiessinger

Here are my top 5:

1. Recruit mid to large plate retail
 - a. Biggest opportunity to generate revenue
 - b. Retail is all about location. Our 101 frontage is prime retail location. Let's better leverage it.
 - c. Won't impact the small-town feel of downtown.
 - d. Puts less strain on infrastructure because shoppers don't need to come all the way into downtown.
 - e. Gives San Carlos residents more shopping choices.

2. Activate Bell Market site
 - a. This represents a huge underutilized property that can help make downtown a destination for people from neighboring cities.
 - b. Its vacancy gives us a short-term window in which we can influence what that site is used for—we need to act now to make sure its use adds to our strategy for downtown.
3. Activate Wheeler Plaza
 - a. Like Bell Market site, this is an underutilized site that can serve as an anchor to make downtown a destination for more consumers.
4. Address infrastructure needs
 - a. As we draw more consumers into the east-side & downtown, traffic could become a significant nuisance, detracting from residents' quality of life. Need to make sure our roads & other infrastructure can support the economic growth that we are driving.
5. Develop landmark hotel
 - a. Significant revenue opportunity that has low impact on infrastructure.
 - b. Will also draw more consumers into other San Carlos businesses.
 - c. Significant growth in hotel revenues may make this a good time to court hotel chains & get in before neighboring communities beat us to it

Mark Green

Prioritization of RSG Recommendations Spreadsheet

	Revenue	Job Growth	Environ-mental Quality	Quality of Life	TOTAL	RANKING
Weighting Factor	2	1	1.5	1		
O.1	2	2	1	2	9.5	
O.2	2	2	1	2	9.5	
O.3	2	2	1	1	8.5	
O.4	2	2	2	2	11	5
O.5	2	2	5	3	16.5	1
O.6	2	2	1	2	9.5	
O.7	2	2	1	1	8.5	
D.1	3	1	1	2	10.5	
D.2	1.5	1	1	1	6.5	
D.3	2	1	2	2	10	
D.4	2	2	1	3	10.5	
EC.1	2	2	2	2	11	3
EC.2	1	1	1	1	5.5	
EC.3	2	2	2	2	11	4
ES.1	4	2	2	1	14	2
ES.2	1	2	1	1	6.5	

Top 5 Priorities:

1. Become a "green" city
2. Recruit mid to large plate retail to East Side
3. Utilize railroad property as catalyst site
4. Determine and encourage best uses for El Camino
5. Provide resources to small business owners

Harold Schuette

Here are my top 5 ranked priorities from Appendix A

1. Recruit Mid to large plate retail (East Side)
2. Recruit research & development/bio-tech industries (overlap with HIA)
3. Activate Bell Market Site
4. Activate Wheeler Plaza
5. Develop landmark hotel

Additional Comments

We need to fill the City Revenue shortfall ASAP. People love San Carlos, because it is a great place to raise families. We need to continue providing family oriented services. Our biggest income is from property taxes. These taxes are the result of property tax re-evaluation. Both Property re-sale and expansion. People want to live in San Carlos, however, Crime is on the rise in San Carlos, we need police visibility! The open Police positions must be filled ASAP.

Downtown

Fill empty Bell Food Store. Another food store as our survey respondents suggest, or BJ's Restaurant. BJ's Restaurant also is a Brue Pub, very well run with excellent menu. The BJ Cupertino, Fashion Island and San Bruno, locations are a fantastic success. If not in the Bell Food Store then on the El Camino corridor, the Old Bowling Alley site (recently a furniture store).

El Camino Real Corridor

Finalize El Camino Real Landscape and design, it has had a very nice start and looks great. Additional signage might be in order.

East Side

Bring in the following:

- Target
- Fry's
- Marie Calenders Restaurant

Fill empty buildings, now about 50 +/- . Utilize the new Website/on-line listing service.

Harbor Industrial

Bring in Bio-Tech companies

Residence Hotels, for extended/expanded stay

Mark Lockenmeyer

Economic Development Priorities shall be:

1. Determine best use for El Camino Real
2. Recruit mid to large retail
3. Become a Green City
4. Address infrastructure needs
5. Update zoning codes

These goals will give us a road map to implement strategies and tactic for economic development.

1. A general plan to quantify and qualify the overall needs of the City that would change as the cities need change and character changes i.e. revenue, various industry in the city, non-profit recreation, entertainment, etc.
2. Prioritize the needs of the City each year based upon an empirical matrix, spreadsheet, etc.
3. Prioritize certain areas of the City for infrastructure upgrades and other improvements for higher and better uses in the future or for new companies.
4. Create a plan to balance the needs of the City, businesses, and the citizens to understand each of its needs, its current status and their priorities.
5. Look at putting the HIA area in redevelopment zone.

Summary Ranking

The table below presents the calculation compiled by Assistant City Manager Brian Moura on behalf of the EDAC. Priorities were ranked from each Commissioner, with first priorities being worth five points, second priorities being worth four points, etc. This ranking illustrates that a collective top five priorities clearly stood out from the others. Though these collective top five priorities pertained to geographic areas, several Commissioners indicated that they felt several of the Operational strategies would need to be implemented simultaneously in order to achieve the collective top five priorities.

Rank	Item	Votes	Points
1	Recruit Large to Mid Plate Retail (East Side # 1)	7	32
2	Activate Bell Market Site (Downtown # 2)	5	16
3	Develop SamTrans Railroad Project (El Camino Real # 1)	5	15
4	Activate Wheeler Plaza (Downtown # 1)	5	12
5	Develop Landmark Hotel (East Side # 4)	5	11
6	Become a "Green City" (Operational # 5)	2	8
7	Determine & encourage the best uses for El Camino (El Camino Real # 3)	2	7
8	Recruit R&D & Biotech to East Side and Harbor Ind Area (East Side # 2)	2	6
9	Improve Partnerships (Operational # 1)	1	5
10	Address Infrastructure Needs (Operational # 2)	2	3
11	Engage the Harbor Industrial Association (Harbor Industrial Area # 1)	1	1
11	Identify Opportunities for Funding Assistance (Operational # 3)	1	1
11	Provide resources to small business owners (Operational # 4)	1	1
11	Update Zoning Codes (Operational # 7)	1	1