DOWNTOWN RETAIL ACTION PLAN
POLICY ANALYSIS AND RECOMMENDATIONS

I. Introduction:

Downtown Redwood City has undergone a significant transformation in the past ten years primarily due to a robust economy and the City’s previous efforts to create a vision for redeveloping and re-invigorating the Downtown. For any city, a thriving Downtown is an indicator of a city’s economic strength. New restaurants, cafes, bars, a multiplex theater, mixed use office and residential developments have increased the vibrancy of Downtown and attracted new residents and visitors. The Downtown has had a very low vacancy rate for ground floor retail space (less than five percent for the past five years), which is an indicator of market strength, but it is also a challenge to diversifying the retail base. A missing component in the transformation is a diverse range of retail businesses. There are numerous restaurants, cafes and food purveyors, but not enough retail businesses that sell interesting local goods for purchase by visitors, residents and workers. Additionally, in order for retail to thrive, there is a need to enhance the number of residents and visitors by encouraging hotel and residential mixed use projects in the Downtown core.

In the spring of 2018, the City Council appointed a Retail Task Force comprised of residents, real estate brokers, developers, and Downtown business and property owners. The task force completed a thorough evaluation of the Downtown’s potential for attracting and strengthening retail businesses. TheTask Force agreed on the following as a vision for the Downtown that will guide continued efforts to strengthen the area.

“Redwood City’s Downtown District will be the “heart of the Peninsula” – an active, vibrant and charming retail destination where a variety of retailers provide a unique, friendly, and convenient shopping experience for residents, visitors, and workers in a clean, safe, green, and walkable environment.”

The task force’s findings and recommendations were presented to the City Council on January 28, 2019. The report consisted of a “Downtown Retail Work Program” which was comprised of tasks/actions to be undertaken by the Economic Development Manager to support the City’s retail efforts for the Downtown. The second part of the report consisted of policy considerations—specifically changes in Downtown zoning policies that could help strengthen existing and new retail opportunities for the Downtown. The Council accepted the task force’s report and then directed staff to further research and analyze the policy considerations. The policy considerations, with background research and analysis, are provided in this Action Plan. Additional policy recommendations were developed by the City’s retail consultant who was retained to ensure that policy considerations align with market conditions and support efforts to attract viable retail in the Downtown. Recommendation(s) for each policy consideration include examples of relevant best practices used in other communities.

A thriving, vibrant downtown needs a community of visitors, workers and residents. While office development in the Downtown Core has provided workers, more housing is needed in the Downtown Core for residents who will dine and shop at Downtown restaurants and businesses. Creating a vibrant, thriving downtown that includes housing, retail, restaurants and other entertainment options will also need a consistent vision and coordinated implementation of policies and, some patience (10-15 years), for real results to come to fruition.
II. **Downtown Retail Work Program: (Work to be performed by the Economic Development Manager.)**

1. **Develop a list of boutique tenants that are comprised of independent retailers, entertainment, restaurants, bars, and hotels that are located in other downtowns and are looking to expand locations.**

   **Analysis:** Below is a list of independent retail stores located in the region that may be considering expansion on the Bay Area. These retailers locate in small downtowns such as Berkeley, Burlingame, Campbell, Los Altos, Mountain View, Palo Alto and Sunnyvale, but the size and availability of retail storefronts in Redwood City’s Downtown limits location opportunities for these retailers as well as those that require larger spaces.

   - Books Inc.
   - Theory Clothing
   - George Shop (Pet Supply and Gear)
   - Recycle Bookstore
   - M&S Watch and Clock Shop
   - Blue Bottle Coffee
   - Learning Express Toys
   - Buffalo Exchange
   - Fieldwork Brewing Company
   - Tin Pot Creamery
   - Running Shop and Hops
   - Denica’s Real Food Kitchen
   - The Gardener
   - Garden Apothecary
   - Game Coinop SF
   - State of Mind Public House (Pizza and classic games)
   - Backhaus Bread (Bakery)

   **Recommendations:**
   1) Staff should contact real estate brokerage firms that represent the above retail stores. If not represented by brokers, staff should reach out directly to the retailers to see if they are interested in locating in Redwood City.
   2) The Economic Development Manager should attend regional International Council of Shopping Center meetings to connect with retail brokers, developers and retail store representatives.
   3) Staff should obtain updated lists of vacant retail spaces, along with the asking rents, and triple nets, to determine if Redwood City vacant spaces are suited to these retailer/restaurants.

2. **Identify and implement best practices used by comparable downtowns for attracting, retaining, and strengthening retail.**

   **Analysis:** One of the best resources for “best practices” in developing successful downtowns is “The 20 Ingredients of an Outstanding Downtown,” prepared by the Destination Development Association. Not all of the “ingredients” apply to Redwood City but those actions that are

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1 National retail stores/restaurants that are currently expanding include: Smashburger, Hot Pot Restaurant, Yi Fang Boba Tea, Sharky’s Woodfired Mexican Grill, Pure Vida Fitness Spa, Club Pilates, Pearle Vision, Relax the Back, C2 Education, HSBC Bank, Silverlake Ramen, Candytopia (shifting from online to brick-and-mortar), Kay Jewelers, Mooyah Burger and Fries, Latin Fusion Kitchen, Hand and Stone Massage Spa, and Bluemercury.
relevant and applicable to Redwood City’s Downtown are included in Retail Work Program and the policy considerations

**Recommendations:**

1) Consider retaining a part-time retail broker on a consulting basis to market available retail spaces in the Downtown to desired tenants. The cities of Claremont, Yorba Linda and Chino Hills have utilized a retail broker because they have experienced difficulty attracting retailers.

2) Consider retaining a marketing consultant to work directly with Downtown retailers and restaurants on the best approaches to marketing and sales, specifically merchandising, customer service and growing the business’ customer base.

3) Explore collaboration with Redwood City Improvement Association (RCIA) and the Downtown Business Group for funding and implementation of these recommendations.

3. **Identify vacant parcels in the Downtown District that are appropriate for hotels and actively promote them to developers/brokers representing hotels.**

**Analysis:** Successful downtowns are supported by workers, residents and visitors. Visitors help downtowns become a destination. Santana Row in San Jose has two hotels and a third is planned in the vicinity. The Sequoia Hotel, if redeveloped, will help strengthen Downtown Redwood City as a destination for visitors. Many cities commission hotel studies, usually undertaken by a national firm, to gather information and data of interest to hotels expanding in the area.

**Recommendations:**

1) Consider commissioning a hotel study that assesses the current hotel market and identifies the types of hotels that are a fit for the Downtown and other areas of the City.

2) Reach out to specific hotels that may be attracted based on Redwood City’s demographics.

3) The City-owned parking lot on Winslow may be an ideal hotel site. The City should consider pursuing a hotel development for that site based on an economic and demographic assessment of its desirability by hotel developers. The future of this lot should be studied during the review process of the potential redevelopment of the transit center, which may have an impact on its feasibility. In addition, other uses of this property should be considered through the planning process.

4) The economic development manager should contact hotel developers or hotel representatives in the area who are looking for hotel sites on the Peninsula to determine their level of interest in Downtown. The Downtown Precise Plan currently allows 200 pre-approved hotel rooms.
4. **Develop a list of retail real estate brokers and relevant links to databases that provide information about available spaces and vacancies in the Downtown and City. (This task is already in the economic development work program 2019-2020.)**

**Analysis:** Relationships with retail broker who represent regional and national brand stores are an important resource for implementation of the Downtown Retail Work Program. The retail environment is changing constantly in terms of store formats, trade areas, customer base, location requirements, etc. Retail brokers provide current information about the expansion plans of retailers. They also provide current market information about vacant and occupied retail space; more current demographic information; and insight about the location strategies of retail stores that are expanding.

**Recommendations:**
1) Develop a contact list for retail brokers who are active in Alameda, Santa Clara, San Mateo and San Francisco Counties.
2) Information meetings and tours of retail opportunity areas in the City for these brokers should be held annually. (This task is already in the economic development 2019-2020 work program.)
3) Keep current market information about Downtown and Redwood City that includes demographic information and new residential/office developments in the City should be kept current and provided to retail store location decision makers and brokers that represent them. The information should be available on the City’s website. (See Attachment B for Downtown map of showing current and planned developments.)

5. **Identify a list of anchor businesses that may be a fit for larger spaces in the Downtown. These anchor businesses draw patrons on a regular basis and support in-line boutique stores.**

**Analysis:** This list can be developed by creating a “Void Analysis” that would identify tenants by size and category. The size and category would then be applied to vacant spaces. The City can also provide listing retail brokers and property owners with ancillary attraction assistance and strategy via the City’s retained Retail Consultant.

**Recommendation:** Since there is currently only one vacant space (the former Cost Plus space) in the Downtown that could accommodate an anchor tenant, the City should consider:
1) Directing the Retail Consultant to assist the listing retail broker and property owner with ancillary attraction assistance and strategy
2) Directing the Retail Consultant to develop a “Void Analysis” to determine anchor businesses that may be a location fit for the Downtown or
3) Directing the City’s sales tax consulting firm to complete a Void Analysis or
4) Deferring the Void Analysis until there are two or more vacant anchor spaces available in the Downtown.
6. The economic development manager should schedule semi-annual meetings of organizations and groups involved in Downtown events and programs to coordinate efforts to implement the Downtown Retail Plan.

**Analysis:** Three organizations are involved in different ways in Downtown issues. They include the Downtown Business Group, Redwood City Chamber of Commerce, and the Redwood City Improvement Association. Successful implementation of the Downtown Retail Plan will require the support of these groups and alignment with their goals, objectives and their program implementation efforts. Implementation of the Downtown Retail Plan should also be coordinated closely with other City departments that are involved with activities, events and projects in the Downtown; continuous outreach and communication with Downtown businesses is critical to sustaining their viability and success. ²

This draft Retail Action Plan was reviewed by members of the Downtown Business Group (DBG), Downtown Retail Task Force, the Redwood City Chamber of Commerce, and the Redwood City Improvement Association (RCIA) for comment and additional suggestions in advance of the City Council’s review.

**Recommendations:**
1) The economic development manager should convene semi-annual meetings of representatives of these groups to review outcomes and results of implementing the plan and determine ways to align and leverage funding and resources.
2) The City’s economic development manager should act as the point of contact for responding to any Downtown retail opportunities or inquiries.
   Note: Recommendations #1 and #2 are included in the economic development manager’s 2019-20 work program.

7. Update retail market information on a timely basis.

**Analysis:** See analysis for Task #4.

**Recommendations:** See recommendation for Task #4: The economic development manager should update retail market information for the Downtown on a regular basis. Information should include current vacant spaces, new retail/restaurant tenants, changes in City policies that may affect the attraction and retention of retailer small businesses in the Downtown. This data should be made available on the City’s web site.

### III. Downtown Retail Policy Considerations

The following policy considerations were recommended by the Downtown Retail Task Force and presented to the City Council on January 28, 2019. Council directed staff to complete further research and analysis on the policy considerations listed below. Policy considerations recommended

² A great example is this fall the City will launch the Downtown Streets Team Program that will engage homeless individuals to provide cleaning of areas of the Downtown. This effort will help maintain an attractive Downtown for visitors, workers and residents.
by the Task Force or the retail consultant are noted. Further research and development of any ordinances will be completed in the next 18 months.

1. **Study potentially expanding the area in the Downtown District that requires active ground floor uses beyond those designated in the Precise Plan. (Task Force recommendation)**

(See Attachment A for map of Downtown Precise Plan Area—Active Ground Floor)

**Analysis:** As a national trend, the number of retail tenants is declining. Each year more stores close, reducing the need for retail store space. The amount of sustainable retail space per capita in the U.S. is not known but there is consensus that there is too much retail space in U.S. and not enough retailers in the market to occupy the space. Much of the vacant space will not be leased and will be converted to other type of use.

Not every street in the City’s Downtown Precise Plan is desirable for retail. Key intersections/nodes and streets, including El Camino Real were analyzed to determine their feasibility for retail. Factors considered include pedestrian walkability, vehicle traffic, visibility of retail spaces and potential for retail synergy along both sides of the street. The goal is to create vibrant retail clusters along major intersections or nodes and streets.

Results of the analysis show sections of Broadway between Main and Hamilton have the strongest potential for retail activity (without analyzing sales volumes for businesses located on these blocks). The section on Broadway from Hamilton to Winslow is not as strong for retail (primarily because there aren’t contiguous storefronts) but further analysis of store sales volumes is needed to better determine its retail potential.

This section of Broadway, could have increased retail potential if the Chase Bank property were redeveloped in the future as a mixed-use project with retail shop space on the ground floor thus creating contiguous storefronts. This type of development could increase the synergy along this block and help create stronger retail vitality. The addition of housing to a mixed-use project would also strengthen demand for retail shopping.

With respect to El Camino Real within the DTPP area, Sequoia High School’s location on the southwest corner of Broadway and El Camino creates an activity void (with the exception of the presence of students at certain times of the day). This side of the street does not provide a great retail walking experience due to traffic and noise. In addition, the sidewalks are too narrow for strong pedestrian activity. These conditions conflict with a retail tenant’s typical location criteria and create conditions that aren’t attractive to them. Consequently, the intersection of Broadway and El Camino is not considered a strong location for retail compared to other areas of the Downtown. The section along the El Camino between James and Jefferson is the most compelling for ground floor retail.

**Recommendation:** In terms of expanding the area in the Downtown for active ground floor uses, the City Council should consider including the east side of El Camino between James and Jefferson especially along the frontage of Sequoia Station.

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3 However, the potential redevelopment of the Sequoia Station Shopping Center provides an opportunity to strengthen retail on El Camino between Jefferson and James especially for larger store formats.
2. **Consider limiting new banks on key corner spaces. (Task Force recommendation)**

**Analysis:** Retail works best when synergy (interaction) is created by having more retailers close to each other. The reason for not considering banks on key retail corners is that banks or financial services do not create the vibrancy retailers or restaurants provide on a visible, high traffic corner. A vibrant retailer or restaurants on a key corner create interest from other retailers to locate near that intersection and also create customer interest for other retailers on side streets. Banks serve their clients and not the general public which limits potential spin-off business for other merchants and restaurants. In addition, banking customers are diminishing in number due to the use of online banking services and the convenience of ATMs. The lack of pedestrian traffic from bank customers limits synergy with retail nodes. (The City of Redwood City currently restricts financial institutions from opening within 200 feet from one another within the DTPP area.)

Bay Area cities such as Burlingame, Morgan Hill, Mountain View, San José, and San Rafael have ordinances that limit banks from occupying key retail spaces in their downtowns or requires a special permit such as a conditional use permit. The requirement to secure a conditional use permit allows the opportunity for a public hearing to review the use. Below is information about policies these cities use to review the location of banks and financial services in their downtowns.

- The City of Morgan Hill requires a conditional use permit for locations under the ground floor retail overlay which is along Monterey Road in the downtown; banks are allowed elsewhere in the downtown. (See City of Morgan Hill Municipal Code 18.30.020 - Downtown ground floor overlay zone, and Downtown Specific Plan Figure 8 (Permitted Uses), p. 2-22); [https://library.municode.com/ca/morgan_hill/codes/code_of_ordinances?nodeId=TIT18ZO_DIVIZOCO_CH18.30OVZOCODI_18.30.020DOGRFLOVZO (Morgan Hill Zoning Code)](https://library.municode.com/ca/morgan_hill/codes/code_of_ordinances?nodeId=TIT18ZO_DIVIZOCO_CH18.30OVZOCODI_18.30.020DOGRFLOVZO) [https://www.morgan-hill.ca.gov/DocumentCenter/View/3195/DSP_200911?bidId=(Downtown Specific Plan)](https://www.morgan-hill.ca.gov/DocumentCenter/View/3195/DSP_200911?bidId=(Downtown Specific Plan))
- The City of Mountain View requires a Provisional Use Permit.
- The City of San Rafael restricts ground-floor commercial space to retail, personal service, business service and restaurant uses in the core downtown zoning districts. Office and financial service uses are considered conditional uses that require administrative use permits, unless they are located at the rear ground floor level.
- The City of San Carlos limits banks and financial institutions in the downtown core area to establishments with a gross floor area of two thousand five hundred square feet or less and to the ground floor of a building located on an interior lot a minimum of five hundred feet from any other financial institution. [https://www.codepublishing.com/CA/SanCarlos/#/SanCarlos18/SanCarlos1805.html#18.05](https://www.codepublishing.com/CA/SanCarlos/#/SanCarlos18/SanCarlos1805.html#18.05)
- The City of San José requires a special use permit (SUP) for banks to locate in areas of the downtown where there is a ground-floor retail overlay. San José is also considering removing the SUP requirement from the overlay, and, instead, adopt a protected corner framework where a few key corners would be reserved for retail.
Recommendation:
1) The City Council should consider not allowing banks and financial service uses on key retail corners within the downtown core or where active ground floor uses are required.
2) An alternative is to require a conditional use permit for banks that wish to locate on key retail corners or where active ground floor uses are required.
   (See Attachment A for Downtown Precise Plan Map Showing Active Ground Floor Use Overlay.)
3. Consider encouraging Downtown property owners to notify the City when retail spaces become vacant so that City staff can assist with finding appropriate uses for the site. (Task Force recommendation)

Analysis: Many cities are concerned about the amount of vacant retail space in their cities and downtowns. The problem is prevalent in both large urban cities and smaller communities. There are many reasons why retail space remains vacant. Often older buildings need retrofitting for code improvements or a potential retail tenant requires a large tenant improvement allowance and the property owner does not have the funds to assist with these changes. Other reasons for long-term vacancies are due to particular retail spaces not meeting the space requirements of prospective retail tenants. An example is an older retail space that is too deep (100 feet) which is not desirable to retailers currently in the market. If the retail market is active, obsolete space can get leased to independent store tenants, but as markets shift and change, the vacant space will take longer to lease. Even retail space in new mixed use developments can be difficult to lease when it is not designed to meet the needs of retail tenants currently in the market. As a result, the space remains vacant for a long period of time.

Oakland, San Francisco and San José have a large number of newer mixed-use projects and older buildings with vacant ground floor retail space.4 These cities have recently approved ordinances to address the vacancy problem that include financial penalties and other code compliance regulations but it is too early to determine how effective these policies are.

Below are examples of solutions adopted by other cities to address the problem of long-term vacant buildings:

- Grants or low interest loans could be made available to fund improvements to assist property owners with vacant space in older buildings that require earthquake retrofitting, code upgrades or façade improvements. If the property owners find retail tenants, loans could be “forgiven” based on the duration of the retail tenancy. (A potential source of funding for these programs might be the Redwood City Improvement Association property based assessment funds.)
- Some cities are using a vacant property registry that requires property owners to notify the City of vacant commercial storefronts; the registration can include a database with building

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4 City-wide retail vacancy rates for Oakland and San Francisco as of second quarter 2019 are 11.6% and 3.6% respectively. Vacancy rates for the same period for San José/Santa Clara County is 3.6%. (Source: Cushman and Wakefield). Vacancy rate for San José alone is not available as it is quoted for the metro area. (Source: Kidder-Matthews)
square footage, name of property owner, property manager or leasing agent and their contact information

- Others have implemented stronger code enforcement of existing regulations that includes securing storefronts to prevent unwanted entry or requiring property owners to remove debris and better maintain buildings and storefronts.
- The City of Oakland has approved an annual tax (regardless of size and value) to any privately owned property (residential, commercial and empty lots—that is not “in use” for more than 50 days in a calendar year starting in 2020.)

**Recommendation:**
1) At this time, staff recommends further study of policy options, at a City Council study session scheduled for January 2020 to address the observed problem of vacant storefronts in the Downtown.
2) It is also recommended that staff create an inventory of vacancies in the DTPP area that includes their addresses, name of property owners or real estate representatives, and actual photos of these buildings to better determine the magnitude of the problem.
3) As a partial solution to the problem of longstanding vacant retail space in the Downtown, the City can consider adopting guidelines (policy consideration #12) for better design and construction of retail space in new vertical mixed-use projects to ensure space is leasable to desired retail tenants.
4) Encourage window displays as an option for dealing with vacant storefronts. (See analysis and recommendation for policy consideration #4)

4. **Consider developing standards to allow temporary art or retail displays in store windows.**

**Analysis:** Temporary window displays of art and advertising for local businesses are often allowed by property owners with vacant store fronts. The displays can help enliven the streets and diffuse the negativity of vacant space. Encouraging window displays is also an option for dealing with vacant storefronts. (See policy consideration #3.) Whether the window displays are art or retail items, the property owners should have the discretion to make the windows space available.

**Recommendation:**
The City could consider adopting a policy encouraging owners of space in areas designated for “active ground floor uses” to allow temporary window displays of art by arts groups. The Economic Development Manager should coordinate discussions between property owners and Parks, Recreation and Community Services as overseer of the Arts Master Plan and ARTS RWC (an arts roundtable in Redwood City).

5. **Consider temporary uses (typically referred to as pop up retail) in vacant spaces.**

**Analysis:** Based on increased consumer demand for retail experiences and competition from online sales, many retailers are developing new strategies and concepts to attract customers.

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5 The annual tax is $6,000 but has not yet developed an implementation program. See [https://library.municode.com/ca/oakland/codes/code_of_ordinances?nodeid=TIT4REFI_CH4.56VAPRTA](https://library.municode.com/ca/oakland/codes/code_of_ordinances?nodeid=TIT4REFI_CH4.56VAPRTA)
Incorporating multiple uses with a single storefront, or creatively co-locating temporary uses may help retail businesses increase sales and lease vacant space. Allowing temporary uses can also assist retailers that want to shift from online sales to brick-and-mortar stores. Innovative temporary approaches include:

- Providing opportunities for customers to interact with products before purchasing them;
- Integrating eating, drinking and wellness into traditional retail stores; and
- Offering community-building activities such as classes, workshops, readings, lectures, temporary displays of local art, and street walks with a theme such as wine or beer walks.

The City of San Francisco adopted a pop up retail ordinance (see https://sfbos.org/sites/default/files/o0285-18.pdf) that provides an expanded definition of “arts activities” and “flexible retail” in order to allow these uses in specified areas of the City. A flexible retail use must operate with at least two uses at any given time and is permitted in specified neighborhood commercial districts in designated “Flexible Retail Zones” with a permit. The ordinance also allows pop-up retail, which is defined as a temporary retail use permitted within a space previously or currently occupied by a legally established commercial use, for a period not to exceed 60 days. To qualify as a pop-up food vendor, a Health Permit to Operate within the City and County of San Francisco must be obtained. A licensed caterer may operate a Pop-Up at a licensed restaurant for no longer than three days per week if they obtain necessary approval from the Health Department. (See https://www.sfdph.org/dph/EH/Food/Permits/PopUps.asp)

The City of Oakland does not have a pop-up retail ordinance. These uses are allowed but must conform to current planning and building requirements.

Recommendations:
1) The City should explore creating an ordinance to allow temporary retail uses to locate within a vacant retail space for a 60-90 day period by right.
2) The City should explore creating an ordinance to allow temporary restaurant uses to locate in approved restaurant spaces that are currently vacant as long as the operator is permitted by the San Mateo County Health Department. Pop-up retail uses should be at the discretion of the property owner.
3) The City should explore allowing streamlined review/permitting for pop-up retail and restaurant uses if they meet specific requirements for pop-up uses.

6. Retail uses on ground floor spaces of historic buildings present design challenges. Consider dealing with these on a case-by-case basis. (Task Force recommendation)

Analysis: Historic buildings are unique structures strictly regulated by local, state and federal laws regarding modifications to the exterior of the structures that are often in need of major retrofitting.

Recommendation: At this time, staff agrees that renovation of historic buildings should be dealt with on a case-by-case basis. The City Council could consider assisting owners of historic
buildings that require earthquake retrofitting, code upgrades or façade improvements by providing grants or low interest loans. A potential funding source may be the RCIA’s property-based assessments.

7. Consider using development incentives for new market rate and affordable housing developments in the Downtown to support retail uses such as reducing rent for retail space, or providing tenant improvement allowances. (Task Force Recommendation)

Analysis: New state laws already allow developers higher densities in exchange for building affordable housing. If a project receives a density bonus in lieu of reducing rent for retail space or providing tenant improvements allowances, a process needs to be developed to determine how these community benefits are made available to prospective tenants.

While lowering and subsidizing rents may help retailers, subsidizing rents can have a “boomerang” effect. Rents often increase each year and any subsidies that are provided will also need to increase potentially creating financial issues for the property owner. Subsidizing rent is also not preferred by many property owners who “merchandise” their buildings based on the specific type and quality of selected retailers. For these reasons using incentives in order to subsidize rents is not recommended.

Recommendation:
The longer term solution is for the City to consider approving an ordinance that requires retail space in new buildings and mixed use projects to be designed properly and delivered in a “vanilla shell” condition. New retail space is often delivered in a “raw shell” condition. By requiring a “vanilla shell” condition the property owner can add value to the retail space up front and improve the chances it will be leased. In addition, a “vanilla shell” condition will attract the best tenants, thus resulting in a stronger retail environment in the Downtown.

8. Create an active community of visitors, workers and residents in the downtown core (Attachment C: surrounding area of Broadway between El Camino and Maple), via a balanced approach of new housing, retail and office.

Analysis: A thriving, vibrant downtown needs a community of visitors, workers and residents. In order to attract retail there needs to be critical mass/foot traffic (people/customers) for retail stores to locate, thrive and succeed. To accomplish this, the Downtown Core should have a work/housing balance that has nearly as many employees as residents and should include hotels. While office developments in the Downtown Core provide workers, some of whom may dine at restaurants during the lunch hour, residents who live downtown support retail stores. More visitors and residents in the Downtown Core who will dine in the evenings and weekends and shop at retail businesses will create a vibrant downtown that can help all businesses weather fluctuations from a changing market and economy. (See Attachment B: Existing and Planned Development Projects in the DTPP Area.)

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6 A vanilla shell is a residential or commercial building with finished interiors, cooling and heating system, rest-rooms and plumbing, interior lighting, (the parameters may vary) etc.

7 Businesses with a large number of employees that occupy office buildings often have on-site cafeterias for employees.
**Recommendation:**

1) As part of the next community visioning process for the downtown, the community should explore expanding affordable and market rate housing, retail, and office in the Downtown Core. (See Attachment C: Housing Focus in the Downtown Core Area.)

2) The City should also explore encouraging mixed-use developments in the Downtown Core to include a combination of office, housing and retail in a single development.  

3) Additionally, there is a need to enhance the number of visitors and overnight stays by encouraging hotels in the Downtown Core.

**9. Engage design experts to develop guidelines for consistent, complementary design and look for street signage and real-time “way finding” for vehicles, parking and pedestrians. (Task Force recommendation)**

**Analysis:** Currently there is a need for better business signage and way finding to identify businesses in the Downtown. Signage for businesses should have consistent, high quality design and materials. On Broadway, between Jefferson and Main Streets, there are businesses that have no signage or their storefronts are blocked by dark park-let shades and overgrown trees. Some businesses that are further away from areas where large events are held (Courthouse Square) have asked for help directing patrons to their businesses. (See Attachment D for examples of signage used in downtown business districts)

In partnership with the Redwood City Improvement Association (RCIA), the City is working on a project to design and install a real-time dynamic parking guidance system. The system will include signs providing information on parking availability for publicly available parking facilities (both City owned facilities and facilities that have a shared parking agreement with the City). The initial phase of the project will include signs at five locations at key entrances to downtown Redwood City. The system will also be able to push the parking availability information online and to mobile applications. Currently the project has completed a 70% design. To finalize the design some additional survey work is required which is being scheduled now. The final design is now expected to be completed in December and an RFP for construction will be issued shortly thereafter. Construction is expected to be completed mid-2020.

**Recommendations:**

1) The City should consider retaining a professional designer to develop consistent sign guidelines that result in a coordinated look for all private and public signage in the Downtown that is complementary to one another and uses high quality materials.

2) A comprehensive signage program for the Downtown for all sign needs should be integrated into the Downtown streetscape plan and coordinated with sidewalk dining guidelines and any revisions to the Downtown Precise Plan.

3) A downtown sign grant program can be developed to provide grants to assist businesses with the cost of new signage; the choice would be limited to those designed by the City’s

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8 The City of Davis, CA is considering a mixed use development that will have four stories of apartments over research and development office space (https://www.cityofdavis.org/city-hall/community-development-and-sustainability/development-projects/research-park-mixed-use).
designer. This program could potentially be funded by RCIA assessment funds and would complement façade grants proposed in policy consideration #3 and #6.

4) The City should ensure that trees along major Downtown streets are pruned upward from the bottom so they still provide shade but do not block retail store signs on all sections of the Downtown that require retail on the ground floor. Funding for this recommendation can be considered in next year’s budget. (See examples in Attachment D that show how street trees block storefronts and signage.)

10. Expand parking availability. (Task Force recommendation)

Analysis:
Parking is important to retail vitality. Retail stores and restaurants need easy access to parking in close proximity in order to maximize sales. Based on retailer input when leasing space, each block, in a dense downtown like Redwood City, should be supported by a minimum parking ratio of 2.5 parking stalls for every 1,000 square feet of retail space on a block. Menlo Park, Palo Alto, Los Altos, and Burlingame have parking behind stores and restaurants located on blocks along the main streets of their downtowns. Retail customers will walk one block to a store while restaurant customers will walk up to three blocks. (See Attachment F: Parking Maps for Downtown Redwood City, Palo Alto, Menlo Park, Burlingame, and Los Altos)

Based on a cursory observation and count, there seems to be enough parking currently in the Downtown to support approximately 612,000 s.f. of retail/restaurant space. However, much of the available parking is not within the proximity requested by retail tenants. Retail tenants prefer parking near the main concentration of retail and restaurants so that parking stalls are conveniently located and available for patrons to use during daytime hours of operation. Restaurants and businesses located on Main St. between Broadway and Middlefield and the south side of Broadway between Jefferson and Main especially rely on parking spaces in the lot behind City Hall. 9

Parking counts completed in the summer of 2019 for spaces on Main St. between Marshall and Middlefield showed the following occupancy rates:

- 64% of the spaces are used for less than one hour
- 82% of the spaces are used for less than two hours
- 87% of the spaces are used for less than three hours
- Only 2% of vehicles used metered parking and were for the full day

(See Attachment E: Main Street Parking Counts between Marshall and Middlefield)

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9 Acknowledging that the City’s downtown is adjacent to the City’s transit center (bus/rail line), the City Council has also directed staff to analyze trips that do not involve driving to encourage people to walk more and use other multi-modal transportation options. Consequently public land used for parking (street or lot) may evolve over time and result in less parking. Another option is to use right-of-way for ride share uses that do not result in parking and give parking priority to people who truly have mobility issues. These proposed policies will need to be balanced with the desire to strengthen retail in the Downtown.
The recommendation to limit parking on Main St. to two hours will be part of a complete update on the Downtown parking program with data on parking usage that is scheduled to be presented to the City Council this winter.

Ensuring there is sufficient parking to support retail in the Downtown Core creates competing priorities for public benefits. The proposed park planned for the City Hall Main Street lot behind City Hall, while a positive amenity for the Downtown, would reduce parking needed to support existing and new restaurants and retail stores. Reducing street parking to accommodate sidewalk dining and park-lets, loading zones, and other streetscape improvements also creates tradeoffs in terms of desired public benefits. As these projects and programs proceed, a balanced solution to address the need for parking to support new retail businesses and restaurants will need to be found. Parking availability is also impacted by the increased use of ride sharing vehicles and the loading and unloading of business materials that use existing parking spaces to either load or unload passengers or unload business materials.

As part of the next community visioning process for the downtown, further study of parking in the Downtown should be considered. This includes identifying the appropriate parking ratio for retail to thrive in Redwood City and how parking spaces are allocated to support the needs of businesses (i.e. short-term parking, loading zones, ride share passenger loading, etc.)

**Recommendations:**

1) The City should consider updating the parking analysis and program (last done in 2013). The study should identify enough parking stalls for a ratio of 2.5 parking stalls for every 1000 s.f. of retail space and determine current parking usage. (Note: staff is currently undertaking another review of retail space in the DTPP to confirm that the City currently provides 2.5 stalls per 1,000.s.f of retail space.)

2) Ensure these parking stalls are located within a one to three block distance from blocks where retail/active uses are required on the ground floor. If the parking ratio falls below 2.5 spaces/1000 s.f. for any section of street that requires retail on the ground level, parking may not be sufficient to strengthen retail.  
3) The City should explore amending public parking agreements in new developments to allow additional public parking during weekday daytime hours to accommodate lack of parking.

4) Explore using right-of-ways for designated loading and unloading and ride share drop-off and pick-up uses.

5) The City should survey existing retailers and restaurants along Broadway and Main Street to get their opinion if the correct amount of parking is currently being provided.

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10 The 2.5/1000 ratio is acceptable in Downtown due to the amount of office space and number of residential units in proximity to the Downtown retail. Otherwise, parking ratios for retail are normally 4 spaces/1000 s.f. Additionally, in the City’s 2013 parking analysis (page 13) Thursday mid-day peak lunch hour parking occupancy reached higher than normal occupancy (~ 85%) in the parking areas that support the most vibrant section of Broadway, also on street parking occupancy was even higher.
11. Ensure that other guidelines for activity on sidewalks and public right-of-ways in the Downtown—dining, use of outdoor promotional signs, personal transportation vehicles, (scooters, roller boards, etc.) accommodate the needs of restaurant and store patrons and are coordinated with any streetscape improvements planned for the Downtown. (Task Force recommendation)

Analysis: Currently the City has not approved regulations for sidewalk dining. There is a plan with guidelines but it has not been formally adopted along with a program for permitting parklets or sidewalk extensions for dining. Current sidewalk dining guidelines also do not specify the type and quality of materials for sidewalk dining furniture or other street accessories (planters, umbrellas, heaters, etc.). Note: The permanent closure of Theatre Way to vehicular traffic is planned for completion by end of 2019.

Recommendation:
1) The City should consider completing the Redwood City Broadway Streetscape Preliminary Design Concepts, Sidewalk Dining Design Guidelines, sign guidelines and the development of a permanent sidewalk extension program to ensure they support a strong retail environment in the Downtown. Beginning with the 2600 block of Broadway. (Plans should be coordinated with the Redwood City Improvement Association and other organizations/departments involved in Downtown)
2) Ensure that plans to improve Downtown streetscapes and other infrastructure take into consideration the required parking for supporting retail and restaurant uses in the Downtown Core Area.

12. Ensure that retail space in new mixed projects is appropriately designed to meet the needs of retail tenants. (Task Force recommendation)

Analysis: As noted in the analysis for policy consideration #3, long term vacant retail space in mixed use projects can be averted if the space is properly designed originally, and built to meet the needs of retail tenants.

Recommendations: Consider developing the following standards as conditions for approval for retail space in vertical mixed use buildings throughout the City:
1) The City should focus retail space in vertical mixed use projects only at the intersections of two main thoroughfares or at identified retail nodes in the City where there is high visibility and pedestrian activity
2) Those retail spaces should be designed to be at least 55’ deep (but no deeper than 60’) and a minimum 16.5’ wide.
3) The retail space should have venting designed into the vertical building allowing for the spaces to be available for restaurant tenant’s consideration.
4) All the retail spaces should have access to a grease trap that meets health codes. This normally means one full sized (at least 1500 gallons) grease trap for about 4000 sf of retail space.
5) Ceilings heights should have a clear height of at least 15’.
6) Ideally parking for new mixed use projects should be provided on the basis of at least 2.5 spaces per 1000 s.f. of retail space and be easily accessible to retail businesses.
7) Parking should be accessible to retail customers via a breezeway from the retail storefronts to the parking if located behind the retail. The breezeway should be located midway through the retail area, if the total retail square footage is greater than 6000 sf.

8) Vertical beams, running thru the retail space should be designed so that the beams are at least 30’ from each other in all directions.

9) The City should ensure there is delivery access for retail space either on streets or in mixed use projects.

10) Often retail space is built in a raw shell condition and retailers do not have the funds to build out what used to be landlord improvements like plumbing and sewer to improve the space to meet the basic city code requirements. The City’s zoning may want to require mixed use property owners deliver the retail space in what is considered a “vanilla shell” condition.

11) The City should consider amending the Downtown Precise Plan to allow window signs. With proper guidelines, window signs can be effective in bringing in new customers which helps financially strengthen retailers. (See Attachment F.)

12) The City should retain a retail consultant who has experience working with retail tenants to meet with developers of mixed use or retail projects planned throughout the City to ensure the retail space is properly designed to meet the needs of prospective retail tenants.

13. Continue to maintain two-hour parking on Broadway and consider expanding two-hour parking to Main Street.

Analysis: Previous Broadway streetscape plans focused on removing or reducing parking in order to capture more sidewalk space and activity areas for seating and walking. Retail businesses and restaurants need street parking for patrons and deliveries especially if the stores do not have rear alleys for loading. Generally, two-hour parking is acceptable for restaurants but quick service establishments (coffee and tea shops, bakeries, and meals) need short-term parking spaces (15 to 30 minutes) so that customers can pick up pre-ordered coffee and food.

While parking spaces for deliveries and loading and short term parking spaces are needed, it is important to be cognizant of the unintended consequence of potentially reducing the overall number of street parking spaces needed to support retail and restaurant businesses.

Recommendation:
1) The City should consider creating parking areas designated for retail shopping only (not employees). This could be accomplished by creating tiered pricing to discourage long-term parking or by increasing hourly parking rates to increase turnover. For example, $1.50/hr. for the first two hours and $3.00/hr. for each hour after.

2) The City should also consider creating close-in parking for patrons with mobility issues.

3) The City is strongly encouraged to continue developing a pro-active employee parking program that will free up spaces at a lower rate close to businesses especially during weekdays before 6 p.m.

4) The City should consider requesting spaces in privately owned parking structures for use by employees of Downtown businesses during day and evening hours to free up spaces in the Downtown Core area.

5) The City is encouraged to designate thirty-minute spaces in front of quick serve type coffee shops and cafes.

6) The City should consider extending the two-hour parking limit to Main St.
7) The City should evaluate other areas of the Downtown to determine the need for loading zones for retail stores and restaurants.
8) The City should explore amending public parking agreements in new developments to allow additional public parking during weekday daytime hours.

14. **Add electric vehicle parking charging stations in the Downtown to enable drivers of electric vehicles who are visiting to enjoy Downtown with the assurance they can charge their cars. (Task Force recommendation)**

**Analysis:** According to data and analytics from ChargePoint, the City’s downtown Electric Vehicle charging station provider, there is adequate charging capacity and number of charging stations within the downtown and City-owned garages.

**Recommendation:**
1) The City should strengthen promotion of existing charging stations to Downtown visitors.
2) The City should explore locating Tesla charging stations or other charging stations in the Downtown.
IV. ATTACHMENTS

Attachment A: Downtown Precise Plan Map Showing Active Ground Floor Use Overlay

2.2. USE REGULATIONS

This section of the Downtown Precise Plan shall regulate land use in order to minimize conflict between uses while maintaining economic and social vitality in the area.

While the entire Downtown is intended to be a lively, mixed-use area, permitted uses do vary slightly within the 27P Zone, by location. To minimize these variations, the Downtown Precise Plan zone has been broken into “Use Zones” as shown on the Use Regulations Map. Uses have been organized into “Use Groups,” and use groups are permitted or not permitted by Use Zone as shown on the Use Regulations Chart.

MAP LEGEND
- Entertainment District
- Downtown Core
- Downtown General
- Active Ground Floor Uses Required (See Chart)
- Historic Resources

USE REGULATIONS MAP
Attachment B: Existing and Planned Development Projects in the Downtown
Attachment D: Examples of trees blocking storefront signage in the Downtown Core.

The tree trunks and branches obstruct the view of the store fronts for pedestrians and cars.
The tree branches obstruct the view of the storefronts for pedestrians and cars.
Examples of Effective Business Signage

This type of signage allows the visitors to see the name of the business at the beginning of a block.
Street signage that informs visitors of the names of businesses located on a street.
Attachment E: Main St. Average Parking Duration Between Marshall and Middlefield
Attachment F: Parking maps for downtown Redwood City, Palo Alto, Burlingame, Menlo Park and Los Altos
Downtown Menlo Park Parking Map
Downtown Los Altos Parking Map
Attachment G: Examples of Window Signage

![Window Signage Example 1](image1)

![Window Signage Example 2](image2)

![Window Signage Example 3](image3)

![Window Signage Example 4](image4)