



Retail in San Jose

*Nanci Klein & Kelly Kline
Co-Chairs Retail Cabinet*

October 28, 2005

Overview

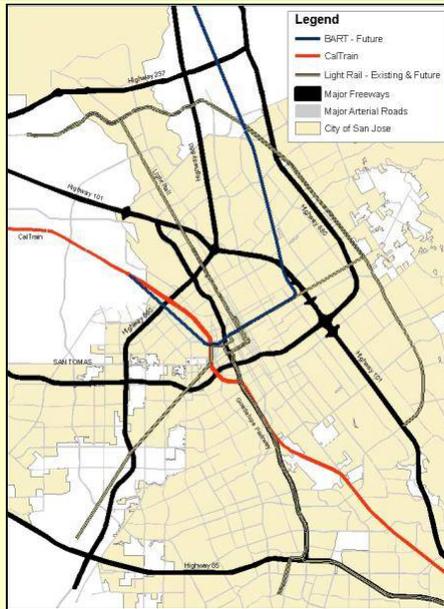
- I. San Jose Has Strengths Attractive To Retail Industry
- II. San Jose Has Significant Challenges In Closing Citywide Retail Deficit
- III. San Jose Needs Stronger Mix of Retail Activity

I. San Jose Has Strengths Attractive To Retail Industry

#1 San Jose Has Great Demographics

Population	944,857
Average HH Income	\$86,349
Percent HH over \$75K	48%
Median Age	35

#2 San Jose Has Flexible Traffic Access



#3 Underserved Populations Remain



- The City is underretailed throughout the City
- Certain neighborhoods lack key retail elements

#4 Strong Ethnic Markets



Plaza de San Jose

- America's most affluent large concentration of Latino consumers

Lion Plaza



- In the Alum Rock and Story Road area, per capita incomes almost doubled between 1990 and 2000

#5 Renewed Interest in Main Streets

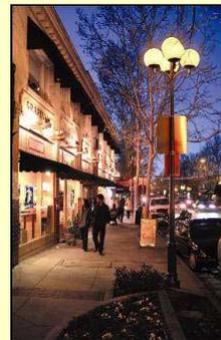


The Alameda

"Where the public domain offers appealing streets, plazas and parks, the populace flocks to them."
John Morris Dixon, FAIA

- Authenticity
- A Strong "Sense of Place"
- Street Visibility

Willow Glen



#6 Big Success Stories



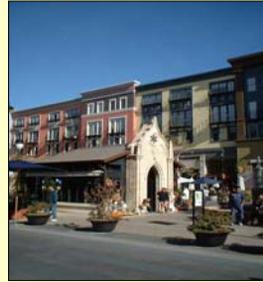
Downtown



San Jose Market Center



Westfield Shopping Center Valley Fair



Santana Row

II. San Jose Has Significant Challenges In Closing Citywide Retail Deficit

#1 Few Adequately Sized & Located Sites

Fox Markovitz Site



#2 Outmoded, Aging Retail Areas



Paseo Colorado, Pasadena,
California
(Before Mall Renovation)



Paseo Colorado, Pasadena,
California
(After Mall Renovation)

#3 Parking Requirements Not Aligned with Current Retail Needs



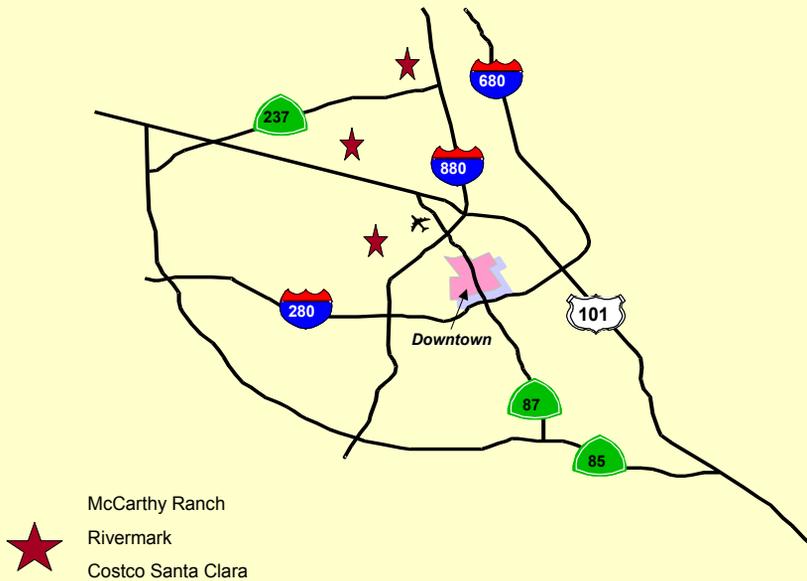
Miracle Auto

Current parking requirements were implemented in 1965

#4 Dwindling Number of Retailers

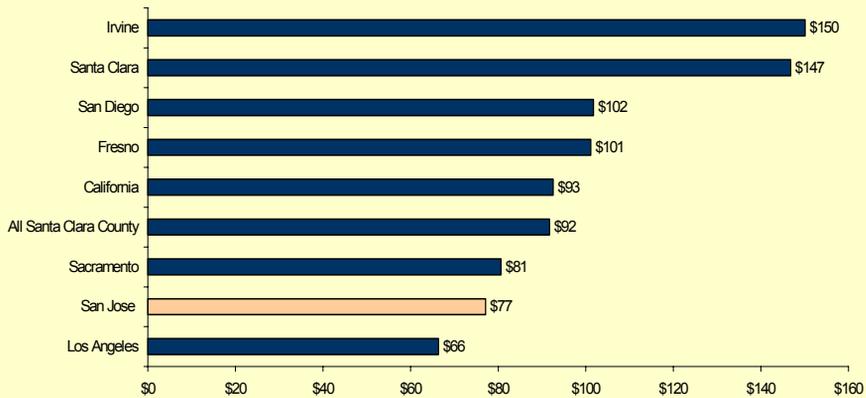


#5 Neighboring Cities More Aggressive

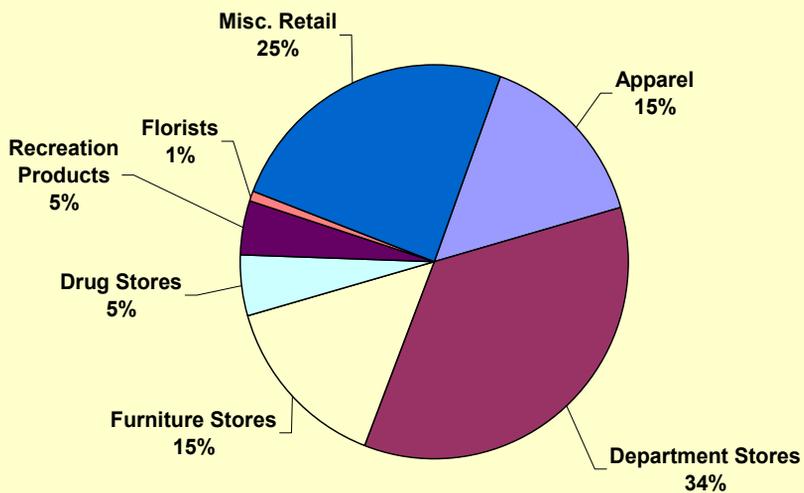


III. San Jose Needs Stronger Mix of Retail Activity

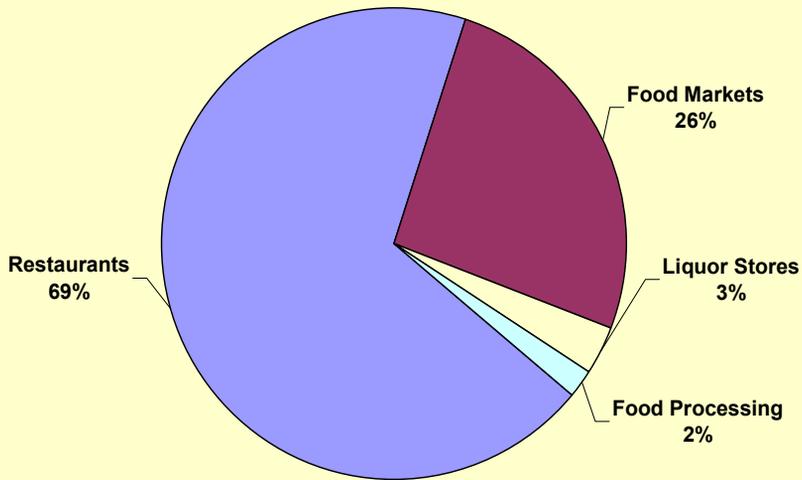
San Jose Lags Per Capita Consumer Sales Tax



“General Retail” Sales Tax Revenue \$30 M

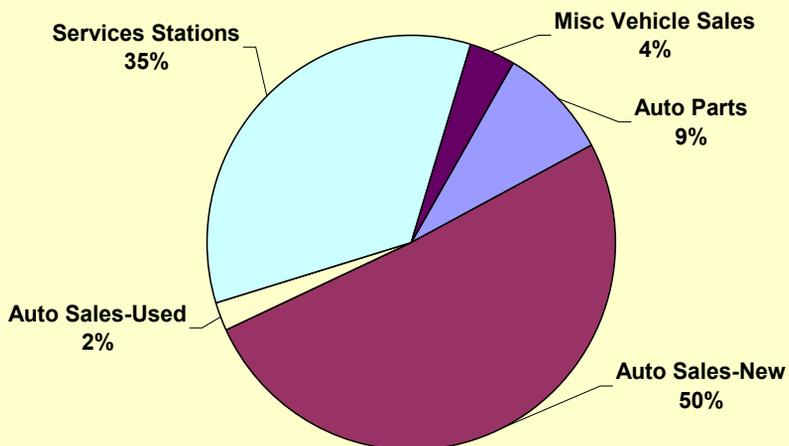


“Food” Sales Tax Revenue \$15 M



Source: MBIA

“Transportation” Sales Tax Revenue \$27 M



Source: MBIA

San Jose's Mix of Retail

	Concept	Representation
Neighborhood Center	Convenience	Many
Community Center	General Merchandise, Convenience	Some
Lifestyle Center	Upscale national chain specialty stores	Few
Power Center	Dominant anchors, few small tenants	Some
Theme/Festival Center	Leisure, tourist oriented, retail and service	None
Outlet Center	Manufacturer outlet stores	None
Regional Center	General Merchandise, Fashion	Few
Super-Regional Center	Similar to Regional Center, but more variety	Few

What We Can Do

1. Identification of Other Key Sites
2. Mixed Use
3. Reviving Old Centers
4. Retail Cabinet Role
5. City Facilitation Role