

Coyote Valley Specific Plan
Summary of Retail Focus Group Comments

151 W. Mission, Room 202B

November 18, 2004

8:00 a.m. – 10:00 a.m.

Attendees:

Jon Binder (Century Theatres); George Brochick (Capitol Honda); Sarah Edwards (Grubb & Ellis); Bruce Frazer (Retail Real Estate Group); Lynn Gibson-Devau (broker, CLS); Larry Green (Westfield - Valley Fair); Marilyn Hansen (Grubb & Ellis); Nicole Hauscarriague (CB Richard Ellis); Russ Hill (Capitol Honda); Donald Imwalle (Imwalle Stegner); Trish Inguagiato (Retail West); David Vanes (SGPA Architecture Design and Planning); Bob Kinney (Capitol Honda); Randol Mackley (Retail Real Estate Group); Sean O'Carroll (Cornish & Carey Oncor International); Jim Randolph (Cornish & Carey Oncor International); Beverly Robbins (The Home Depot; Inc.); David Schmidt (Colliers Parrish Int'l, Inc.); Rick Shaffer (Imwalle Stegner); Charles Stegner (Imwalle Stegner); Jerry Strangis (Strangis Properties); David (Colliers Parrish Int'l, Inc.)

City Staff and Consultants:

Doug Dahlin (Dahlin Group); Roger Shanks (Dahlin Group); Jim Musbach (Economic Planning Systems, EPS); Teifion Rice-Evans (EPS); Eileen Goodwin (APEX Strategies); Laurel Prevetti (PBCE); Salifu Yakubu (PBCE); Susan Walsh (PBCE); Nanci Klein (Office of Economic Development, OED); and Alejandro Herrera (OED).

The following comments were provided:

1. Location Criteria:

- A minimum of 25,000 cars per day is necessary for to attract retail.
- Retail uses will not come until there are a substantial number of residential units.
- Recommend 50,000 households before retail would be interested.
- In the order of location preference retail uses would prefer: 1) Highway 101 at Bailey Avenue Interchange, 2) Monterey Road at Bailey Avenue, and 3) Town Center.
- Retail needs 10,000 people per week to provide an area an attractive retail location.
- It is hard to get retailers to locate in areas that are very far from the freeways.
- Morgan Hill has plans for 600,000 square feet of retail, which will be a big competitor.
- Grocery sales fall when retail is not located on major streets.

- The amenities that retailers prefer include visibility, signage and access.
- Retailers prefer one dominant street which is less than one mile in length with convenient parking
- Dublin works well because of its adjacency to residential units
- There will be a need for a main shopping district with very successful grocery store (a second or third grocery store may not be needed).
- The town center should be as pedestrian-friendly and unique as possible. It should focus on a 1.5-2 mile radius.
- Retailers will want to go into a proven retail area that shows good sales and has a lot of residential units (e.g. Santana Row).
- Santana Row has all of the big freeways nearby.
- A health club would be a good amenity in the town center and near the retailers.

2. Density and Flexibility:

- Density and convenience will get people to walk, like in San Francisco.
- Density as well as “around the clock activities” in the retail area makes Coyote lively, like in San Francisco.

3. Big Box Retail:

- It is unlikely that Coyote Valley will attract any big box retailers in the early phases.
- A 30,000 square foot grocery store needs at least 10,000 residential units in its service area.
- Safeway would want at least 5,000 residential units with high-income levels.
- A “big box retailer” or an auto dealer could work in association with other town center uses and would create better synergy.
- A grocery store needs \$450,000 in sales per week and a sea of parking.
- Larger retail uses won’t come without freeway access.
- Retailers are not “great pioneers”, and they want to see the retail profits first.
- Special retailers (e.g. Williams Sonoma) are not likely to locate in Coyote Valley; the focus should be on more utilitarian shopping for this new area.

4. Retail Ownership Preferences:

- Auto dealers prefer not to own and grocery stores prefer to own.
- Restaurants and shops must lease.

5. Neighborhood Retail:

- “Mom and Pop” retailers also want 25,000 car trips per day and they would like to be located near big retail uses.
- Due to the noise problems, neighborhood retail may not be very successful.
- Neighborhood retail could work if no big competitors are located within 10 minutes of their location.
- Neighborhood retail may provide traffic mitigation in the sense that they help minimize car trips to school and small grocery trips.

6. Structured Parking:

- Q: Is structured parking a detriment? A: *It depends on the circumstances. Sharing the parking structure is the best since it is a costly amenity.*
- Hotel or higher intensity uses can share parking structures with retail and other uses, thereby making the parking structures more affordable.
- Parking garages are dark and customers usually want open parking.
- The experience at Oakridge is that most people want parking in the open surface parking areas versus structured parking.
- People need to be educated about the use of parking structures (e.g. in some bigger cities people get used to shopping at multi-story grocery stores with structured parking).

7. Auto Dealers:

- An auto dealership may consider this area if people have at least two cars per household and they are located near a main artery.
- A neighborhood auto retailer does not work.
- Auto dealers like the synergy of other dealers (10-12 dealers within a 15-mile range).
- Auto dealer might lean towards Morgan Hill versus Coyote Valley.

8. Community Core Area:

- Rivermark has a very big lunch clientele, which would be good to have in the Coyote urban center.
- The Coyote urban center will need other anchors to support retail.
- Q: Would destination restaurants draw retail? A: *No.*
- A theatre would be great in the town center. 12 screens would be required at minimum to attract a theatre and they would require a population of about 80,000 people.
- It is hard to compare this area to other retail areas because this area has a more rural heritage.

- It will be important to create a unique reason to bring people to Coyote Valley (e.g. winery).
- A winery anchor or a farmer's market in the town center to attract farmers to sell their produce (e.g. Corte Madera to David's Produce).
- Need to start small and evolve to bigger retail.
- The more residential units, the greater the justification for retail uses.
- Even though Rivermark has 60,000 cars, it could not attract a bookstore because there were not enough residential units.
- Q: Would good schools help? A: *Schools have no relationship to retail, but convenience to schools can help.*
- Q: Would transit help to attract retail? A: *No, there would still need to same need for number of people (population of 25,000).*
- Pedestrian trips are not equivalent to auto trips for retail attraction. There is a preference for auto trips.
- Recommend utilitarian retail first and later on recreational retail.
- An equestrian center could also be a good anchor and provide unique connectivity.
- The town center could have a sports center draw like Mt. Tamalpais is very unique.
- Q: What makes Los Gatos work? A: *The high-income levels, the unique "Mom and Pop" shops, and the big retailers mixed in.*
- The lake is a good amenity for restaurants if it draws customers. There should be a main street related to the lake.
- There should be one dominant main street for the downtown (e.g. Ocean Avenue in Carmel; Santa Cruz Avenue in Los Gatos).

9. Lodging:

- Q: What are the ratios for lodging accommodations and how many hotels should be provided? A: *About two hotels with 280 units each would be appropriate for Coyote.*
- Specialty hotels with about 150-200 units would be preferable.