



Downtown Santa Rosa Retail Business Development Action Plan

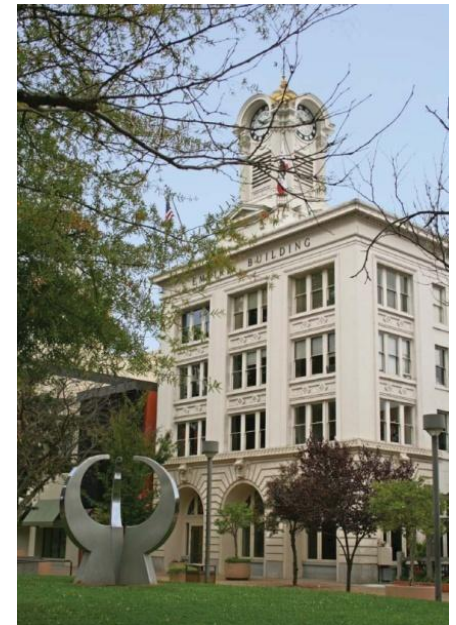
“At the heart of Downtown Santa Rosa’s long-term success is its ability to offer residents, employees, and visitors a unique, welcoming environment and a shopping and entertainment experience unlike any they can find elsewhere.”





Downtown Santa Rosa Retail Business Development Action Plan

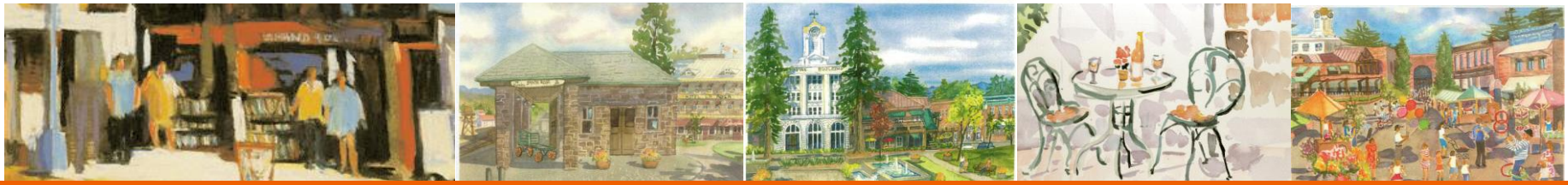
- Downtown Program goal: Strengthen Downtown and enhance “sense of place.”
- Economic Development is one of the tools to achieve this goal, including:
 - Creating a biz-friendly environment
 - Promoting DT
 - Supporting existing businesses
 - Working with property owners
 - Attracting new businesses





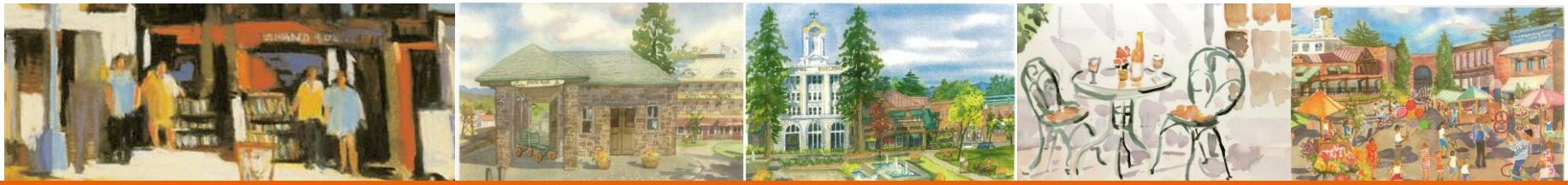
Downtown Santa Rosa Retail Business Development Action Plan

- Enlist help of professional retail consultants to prepare a “roadmap” for business development
- Focus on creating lively 24-hour DT
- Focus on the practical and implementation
- Business development is both supporting and growing existing businesses, **and** attracting new businesses.
- Retained Chabin Concepts and Marketek Inc.



Background Research and Analysis

- Reviewed all reports and studies
- Toured SR's key shopping districts to understand business and consumer base; met with individual business owners
- Researched market facts and assets
- Mapped key development opportunities and potential development timelines
- Conducted focus groups; interviewed key stakeholders
- Conducted on-line Shopper Survey




Shopper Survey


- On-line, publicized in newsletter and outreach to neighborhood associations
- Strong response rate
- 32%--45-54 years, followed closely by 35-44 and 55-64
- 25% do most non-grocery shopping DT
- Convenience, selection, price
- Support local businesses
- Deterrants: Limited hours, selection, traffic, parking

Tell us what you think!

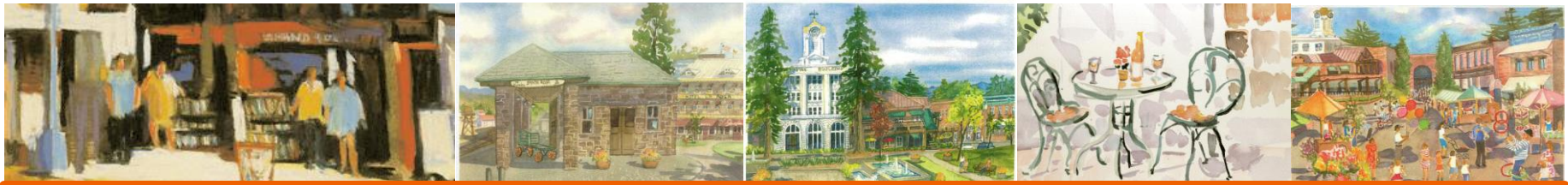
Downtown Shopper Survey



The City of Santa Rosa is developing a strategy to strengthen and diversify Downtown's businesses. Residents, employees, visitors, and business owners are invited to participate by taking a short online Shopper Survey about current shopping patterns and Downtown's shopping and service needs. We want your input! Please visit www.srcity.org/downtown and click on the "Downtown Shopper Survey" link. Ask your friends and customers to complete the survey, too! Survey deadline is May 5. For more information, contact Autumn Buss at 543-4338 or abuss@srcity.org.



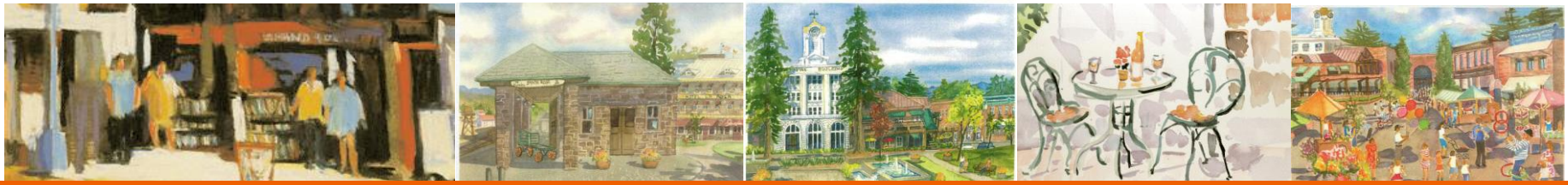
CITY OF SANTA ROSA



Shopper Survey

- Merchandise wanted:
 - Apparel—shoes, women's and men's casual
 - Household furnishings—garden, linens
 - Specialty retail—music, toys, hobbies, sporting goods
 - Convenience—grocery, bakery, pharmacy
- Services wanted
 - Live music, live theater
 - Dry cleaning, tailoring, day spa
- Restaurants wanted: bakery, health food





Collection and Analysis of Market Data

Target Market Profile

Resident Population ('08)

- 5-mile Radius: 183,024, \$66,227 Median Household (HH) Income, 36.6 Median Age
- 10-mile Radius: 313,800, \$68,156 Median HH Income, 37.7 Median Age
- 25-mile Radius: 594,436, \$69,897 Median HH Income, 39.5 Median Age

Daytime Market ('08)

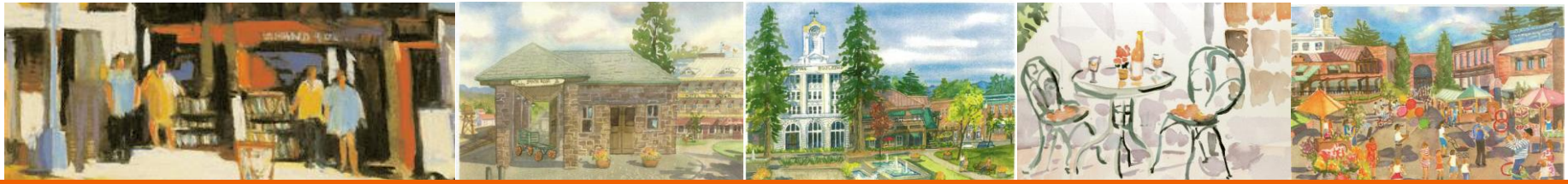
Within a 1 mile radius of downtown (B & 5th Sts) are:

- 2,520 businesses
- 19,493 employees

Visitors (annual #s)

- Sonoma County Museum, 20,000
- Convention & Visitor's Bureau, 67,000
- Luther Burbank Home & Gardens, 75,000
- Amgen Bicycle Tour of California, 35,000 in downtown SR
- Sonoma County Library, Downtown Branch, 463,826
- Santa Rosa Plaza, 7.2 million unique visits





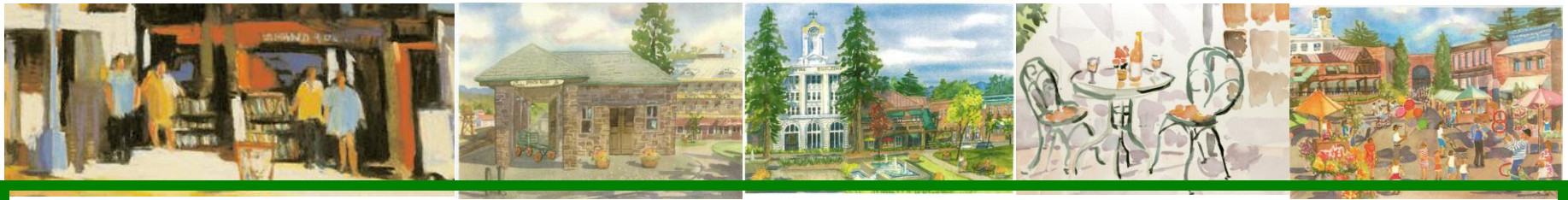
Collection and Analysis of Market Data

Market Potential

Retail Market Area Sales Leakage (2006), sales leaving Santa Rosa

Furniture & Home Furnishings	\$34.5 million
Electronics & Appliances.....	\$20.3 million
Clothing & Accessories	\$6.5 million
Food Service & Drinking Places.....	\$142.9 million

Conclusion: Customer market is strong!

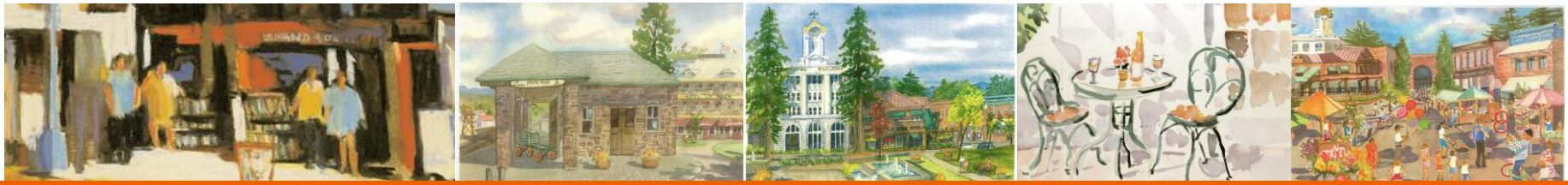


Analysis of Real Estate Data

- Existing property inventory
- Vacancy analysis
- Review of development projects and opportunity sites

“Downtown’s overriding challenge for business attraction and expansion is the *limited amount of built retail space* available for occupancy, particularly of a suitable size.”





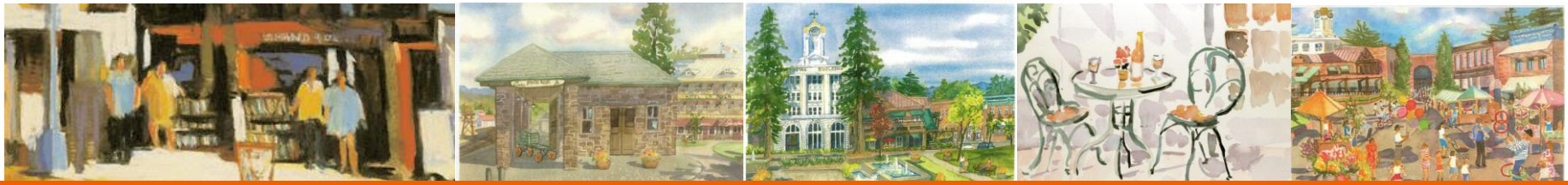
Competitive Position

“Successful business districts have a healthy business climate and proactive marketing program with key amenities and characteristics that attract customers and businesses. These features are particularly critical for older commercial districts seeking to compete for retail dollars being spent at new shopping malls, lifestyle centers, and big box retailers.”

Strengths: Customer market (size and income), business growth in DT, range of shopping, anchors, local entrepreneurship

Neutral: Rate of real estate investment, streetscape quality, storefront quality, retail nodes, parking, walkability, business assistance/incentives, “one-stop” permitting, events, community interest

Needs Improvement: Space available, image and identity, gateway entrances, signage/wayfinding, business promotions, strategic business attraction efforts



Target Businesses

“Diversifying and strengthening the mix of businesses, consistent with the vision of a vibrant, lively DT, is the ultimate goal of the business development program.”

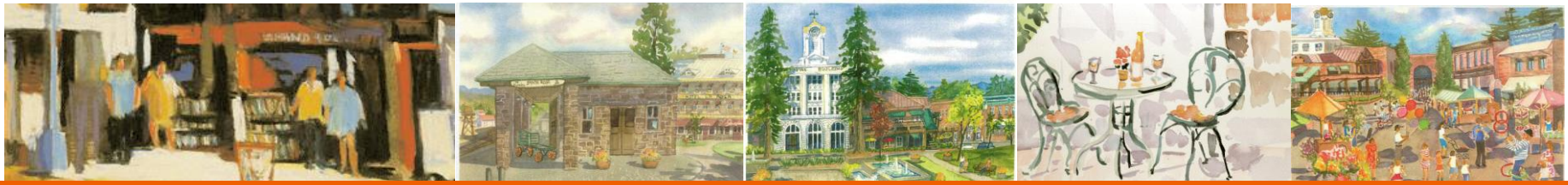
Merchandise	
• Grocery	• Made in Sonoma
• Drugstore	• Art galleries
• Music/CDs	• Bed/bath/linen
• Florist/garden supplies	• Home accessories
• Unique children’s toys and gifts	• Shoes
• Lamps/shades/lighting	• Frames/art & craft supplies
• Furniture	• Fabric, knitting supplies
• Sporting goods and outdoor gear	• Apparel and accessories
• Neighborhood hardware	• Home entertainment systems
• Arts Co-op	• Gifts
Restaurants/Food	
• Health food/juice bar	• Wine shop/tasting rooms
• Bakery	• Chocolate shop
Entertainment	
• Live music	• Live theatre
Personal Care/Services	
• Hair salon	• Day spa
• Laundry/Dry cleaning	• Yoga
• Health care/naturopath	• Day care/after school



Target Businesses

- Emphasize unique, locally-owned businesses
- Carefully target national retailers and regional “chain-lets” that offer credibility and/or the ability to draw a broad middle-income market



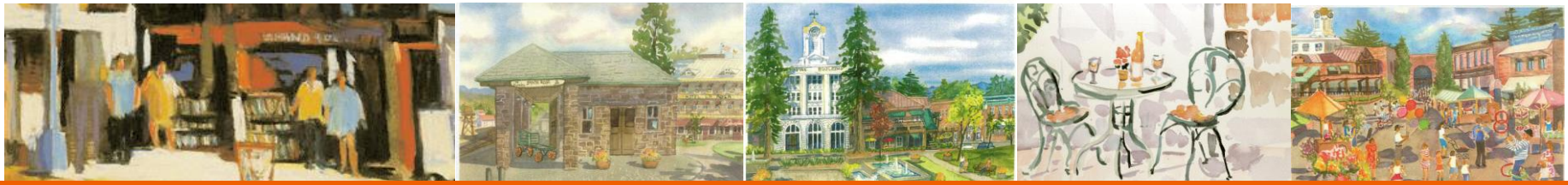


Business Clustering

Strategically locate businesses within DT to take advantage of relationships or “**synergies**” between nearby businesses

Railroad Square: Current clusters are home furnishings and restaurants. **Attract** food, wine, more furnishings, home accessories, boutiques, unique gifts, arts, visitor services.

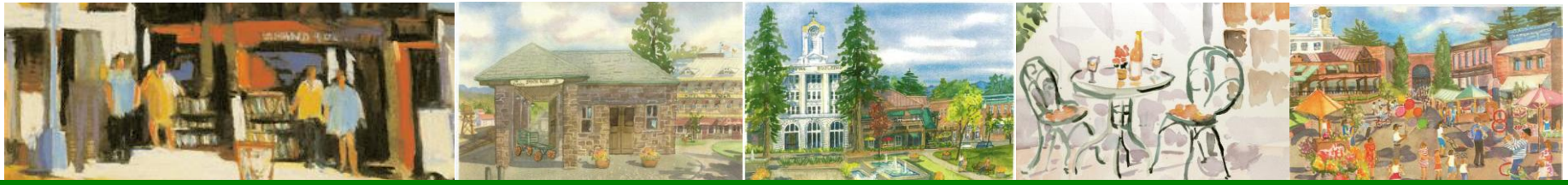
Courthouse Square: Current clusters are restaurants, coffee, specialty retail. **Attract** shoppers’ goods, lifestyle-type anchors, dining, entertainment, impulse specialty retail, convenience goods/services, arts & creative services.



Retail Development Guiding Principles

1. Expand size and scope of consumer market
2. Promote unique character of districts
3. Define the retail core and key nodes
4. Take care of existing businesses and civic anchors
5. Big changes = bold moves
6. Know what you have to offer
7. Aggressively market yourself

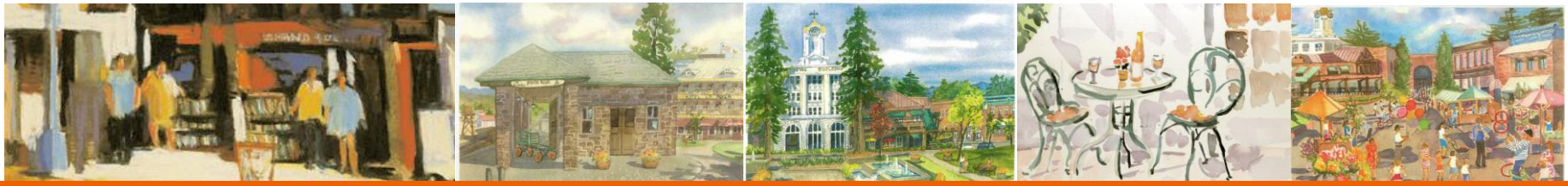




Time for Action!

The Retail Business Development Action Plan

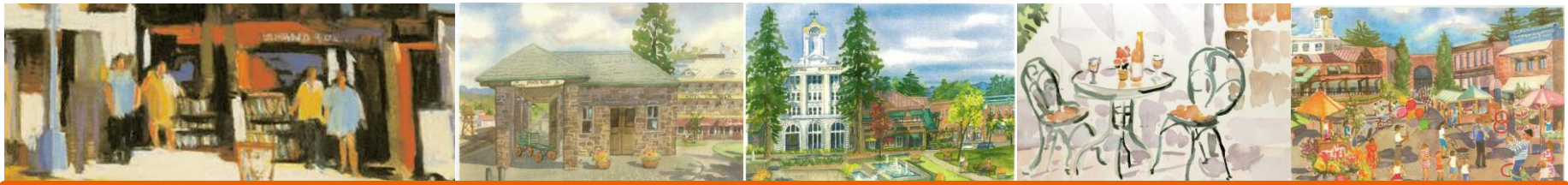
1. Existing Business Development
2. Business Attraction



Existing Business Development

Continue helping existing, largely small and independent, businesses remain strong and competitive (“business retention”)

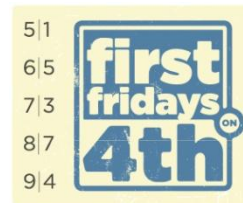
1. Package and promote “Downtown Business Toolbox.”
2. Continue and expand business training and education—marketing, merchandising, pricing, business operations
3. Continue one-on-one technical assistance
4. Expand façade/TI loans and develop new financial and design assistance programs



Existing Business Development

- Continue efforts to create positive perceptions of DT and to create an attractive, comfortable, user-friendly environment

1. Promotion, marketing, identity
2. Events and happenings
3. Streetscape and street furniture
4. Maintenance and security
5. Parking, wayfinding, bikes/peds



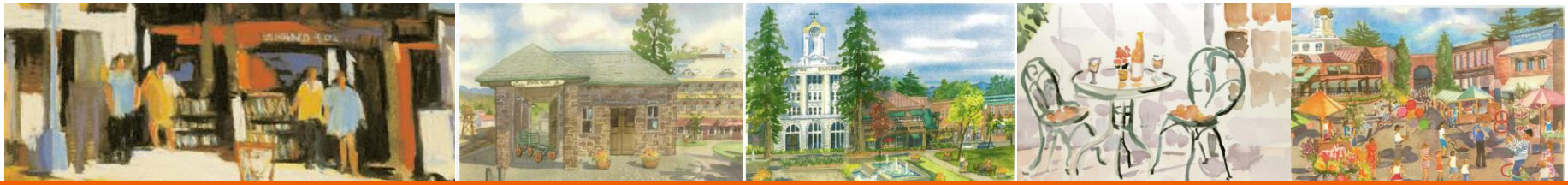


Business Attraction

Four-step Action Plan:

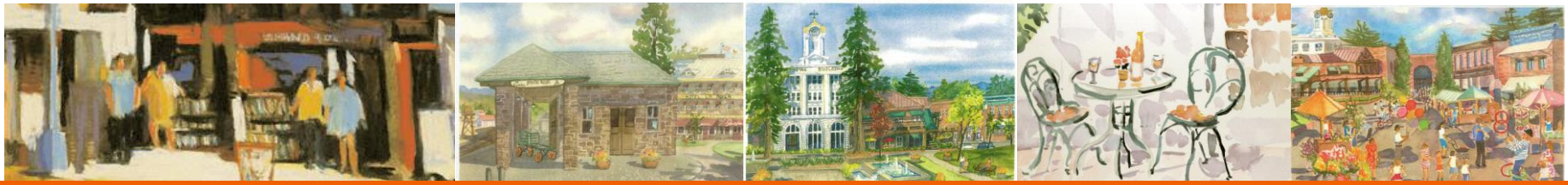
1. Articulate and package Downtown Brand and Vision
2. Product development—existing inventory
3. Product development—new/reformatted inventory
4. Business recruitment





Downtown Brand and Vision

1. Downtown brand/visual identity (underway)
2. Identify specific target businesses
3. Summary and map of DT market position, biz mix, planned development and capital projects—capture attention and imagination of prospective businesses (brand is platform)
4. Expand partnerships—brokers, SRMS, RRSQ Association, Chamber, City departments, etc.



Product Development--Existing

1. Create detailed DT property database with Web interface (underway)
2. Property features, zoning, rent rates, tenants, photos/aerials, building data
3. Work with ground-floor offices to relocate to upper floors
4. Work with owners of underutilized spaces
5. Cross match properties to target businesses

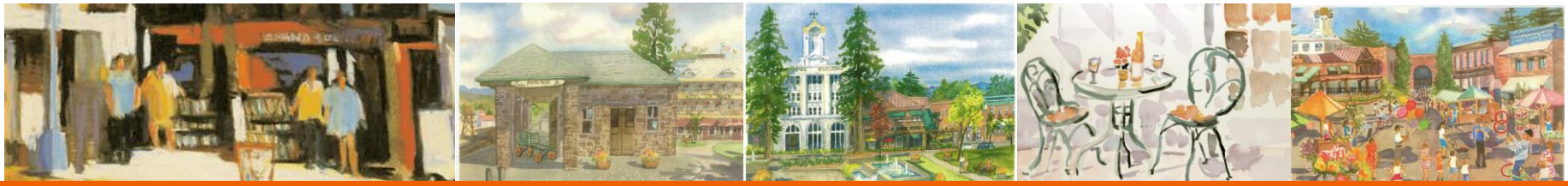


Product Development—New/Reformatted

Work to redevelop sites to attract larger format and anchor tenants

1. City parking lots
2. Mendocino Avenue
3. Opportunity sites such as Post Office, Library, etc.

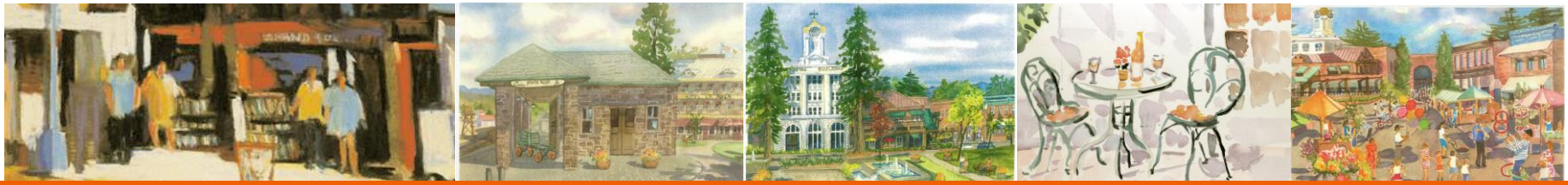




Business Recruitment

1. Using brand, create marketing materials—updatable and tailor-able, including data, property, and resource sheets. Print and Web.
2. Create and maintain detailed prospect database
3. Search other downtowns and elsewhere in SR for compatible stores that would like to expand
4. Outreach properties available
5. Outreach to target businesses
6. Continue cross matching





Implementation

- Existing biz development, addressing DT perceptions, and physical environment underway
- Several steps of new biz recruitment underway
- Plan has 5+ year time horizon