

# THE BUXTON REPORT

## Success Stories in Retail Recruitment

### Case Study: Downtown Redevelopment - San Jose Lands on Retail "Radar"

About five years ago, San Jose municipal leaders realized that their city's downtown wasn't living up to its full potential to serve as a unique, creative and cultural center of Silicon Valley. In response, they developed a multifaceted plan to stimulate housing, add office tenants and improve the visual appeal of the district.

They also got serious about attracting retail to the downtown area and to other parts of San Jose. The city's five-year retail strategy includes creating new retail space and improving and expanding existing inventory. To ensure adequate new retail space, the city created mixed-used design guidelines that outline requirements for ground-floor retail space in new mixed-use developments. And to upgrade existing retail space, the city aggressively promoted programs to award commercial building loans, façade grants and signage grants.

Gathering and communicating data has been essential to San Jose's success. To get the information it needed to understand its trade area, the city hired Buxton to perform its CommunityID assessment. Before they obtained the customer and market information from Buxton, the city's redevelopment staff had to convince retailers about the suitability of their downtown area. "While the urban environment is dynamic and multi-faceted, retailers need much more assurance that a downtown setting will work for them," says Kelly Kline, downtown manager, City of San Jose.

Good data alone cannot attract retailers. The city has to nurture relationships with brokers, developers and landlords to bring about improvement, Kline says. To develop these relationships and to keep the lines of communication open between the real estate community and the city, San Jose created several successful marketing tools. For instance, a comprehensive website ([www.sanjoseretail.com](http://www.sanjoseretail.com)), provides information about available retail sites, demographics, new retail openings and current projects.


"This site makes it easy for brokers, developers and landlords to market and find sites," Kline says. "The website is a one-stop-shop for all data related to San Jose's retail environment."

Another helpful source of information is a quarterly e-newsletter developed by the San Jose Redevelopment Agency that is sent to hundreds of real estate professionals. And, to keep commercial brokers in touch with the downtown area, the city sponsors meetings and events, including tours of retail districts.

Communicating with retailers is also a key element of the city's retail program. San Jose economic development staff members attend ICSC (International Council of Shopping Centers) trade shows to get face-time with retailers.

Internal communication is also important. San Jose created a city-wide "retail cabinet" with participation from 12 city departments. The cabinet meets regularly to coordinate downtown events, review specific retail projects and solve policy issues from the sign code to parking requirements.

Since the retail-recruitment campaign began in 2001, San Jose has experienced success in terms of new retail space (200,000 additional square feet) and occupancy (more than 500,000 square feet leased). They have also recruited several high-profile retail tenants.

Kline says she can sense a change in retailers' perception about San Jose and is certain that the city's efforts will continue to pay off. "We're now on the radar of many more retailers," she says. 



Redevelopment Agency