An aerial photograph of a city, likely Fremont, California, showing a dense residential and commercial area with a mix of buildings, streets, and green spaces. In the background, there are rolling hills under a clear sky. The image is in grayscale, with the text overlaid in blue.

Mission San Jose Commercial Strategy Study

For the City of Fremont, California

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Consultant Team

Jane Lin, Urban Field Studio
Frank Fuller, Urban Field Studio
Heidi Sokolowsky, Urban Field Studio
Christine Firstenberg, Retail Real Estate Resources
Bill Lee, Land Econ Group
Tanya Chiranakhon, Land Econ Group
Yann Taylor, Field Paoli Architects

1. EXECUTIVE SUMMARY

The Urban Field Team was selected to complete a Commercial Strategy Study to examine the opportunities and constraints to commercial revitalization of the Mission San Jose Town Center, with a special emphasis on improving retail, restaurants, and entertainment options within the district.

As described in **Section 2**, the Mission San Jose Town Center is an existing business district, generally located along Mission Boulevard, between St. Joseph Terrace and Pine Street, anchored by the historic Mission San Jose church and museum. The Mission San Jose Town Center is a beautiful commercial village with historical character. It has natural beauty and connects to trails to access the adjacent East Bay hills. It is a fairly wealthy, diverse, and well educated community. Ohlone College is part of the village, as are many education related businesses. However, the commercial viability of the Mission San Jose Town Center is challenged by being geographically located at the edge of a market area and by heavy traffic on Mission Boulevard, its main commercial artery.

The development of the Commercial Strategy Study was informed by a walking tour of the area, interviews with stakeholders, and a two-day workshop to develop strategies for commercial success. The process is documented in **Section 3** of this report. The Urban Field team also studied and analyzed the physical attributes, circulation and access, economic market, and retail viability of the Mission San Jose Town Center. The analysis considered strengths, weaknesses, opportunities, and threats (SWOT). A summary of the SWOT analysis is included in the Appendix A.

Section 4 of this report is a Market and Retail Overview of the Mission San Jose Town Center. One of the major challenges to the commercial success of the area is

its low population density and geographic position up against the East Bay hills. A very large portion of its customer market is to the west with limited clientele to the east. Retail centers further west are more central to the trade area population and can compete more effectively; the Mission San Jose Town Center feels “out of the way” to customers outside the area. Anchor retailers do not consider Mission San Jose as a target market because customers would have to drive past similar retail stores to get there. Other areas of retail, such as the nearby Ohlone Village Shopping Center, located on Washington Boulevard at Luzon Drive, directly compete with Mission San Jose’s clientele. The Mission San Jose Town Center also lacks a cluster of tenants for retail synergy, includes physically obsolete retail spaces, and has not adapted as macro retail market trends have evolved. Even though the population is relatively wealthy and educated, the estimated growth in the number of households is insufficient to support new and diverse commercial businesses. Without this type of growth, the addition of new retail activity is difficult.

The Urban Field Team identified strengths, weaknesses, opportunities and threats to the Mission San Jose Commercial Area, which are summarized in **Section 5** and in the Appendix. The team also identified various strategies that would better position the district for commercial success. The strategies are described in more detail in **Section 6**.

Section 7 covers the Implementation Strategies to consider. It takes both public and private funding to make any of the strategies a reality. Creative funding mechanisms are necessary to implement strategies desired by the community.

Section 8 summarizes the study and states the recommendations for short term and long term strategies.

2. CHARACTERISTICS OF THE MISSION SAN JOSE TOWN CENTER

The Mission San Jose Town Center is a historic business district, generally located along Mission Boulevard, between St. Joseph Terrace and Pine Street, anchored by the historic Mission San Jose church and museum. The area is bounded by the East Bay hills to the east. The natural beauty of the foothills to the east serves as a scenic backdrop to the Mission San Jose Town Center and is a great asset to the district. The General Plan describes the Mission San Jose

Town Center as an attractive, historic mixed-use center, and envisions a “distinctive and vital village” with preserved and restored historic sites, thriving commercial establishments, and an inviting environment for pedestrians.

The three most significant attractions in and adjacent to the Mission San Jose Town Center are the historic California Mission, Ohlone College, and Mission Peak.



Figure 1. Map of Mission San Jose Town Center and Ohlone Village Shopping Center

Source: Exhibit 2 from the Mission San Jose Commercial Strategy Request for Proposal

3. BACKGROUND

The commercial heart of the commercial area is walkable, and has many neighborhood commercial offerings. The entire district (shown in red in Figure 1) from Washington Boulevard to Pine Street along Mission Boulevard is nearly a half mile in length, which corresponds to approximately a ten minute walk. The commercial offerings are typically locally owned service or retail stores, including a large number of education related businesses in the retail mix. There are very few national chain retailers in the district.

There are many historic buildings, and landscapes in the Mission San Jose Town Center which contribute to an eclectic character that reflects its historic evolution. These historic buildings add to the historic character and charm of the area but are hard to adapt into new retail formats due to the cost of achieving modern building standards.

The nearby Ohlone Village Shopping Center, located on Washington Boulevard at Luzon Drive is a commercial competitor to the Mission San Jose Town Center (shown with a red hatch in Figure 1).

On June 5, 2018, the Fremont City Council considered a referral by Council Member Raj Salwan, and voted to direct staff to commission a study to examine the opportunities and constraints to commercial revitalization of the Mission San Jose Town Center, with a special emphasis on improving retail, restaurants, and entertainment options within the district.

City staff hired a consultant team with expertise in urban planning and retail market analysis to assist in completing the study. The consultant team includes Urban Field Studio, Land Econ Group, Retail Real Estate Resources, and Field Paoli Architects. The opinions expressed in this report are based on the professional experience of the land use economists, retail broker specialists, urban designers, and retail architects on the consultant team.

The study took place over three months and included input from residents, business owners, and land owners in Mission San Jose. A community meeting and phone interviews with selected stakeholders were conducted to gather input. Consultants toured the area and met during a two-day strategy session, conducted in the format of a Peer Exchange Panel or Technical Assistance Panel. The strategy session analyzed the strengths, weaknesses, opportunities and constraints for the Mission San Jose Town Center and formulated the strategies for commercial improvement. The Commercial Strategy Study report is a synthesis of the discussion and findings from the strategy session.



A Community Meeting was held on October 18th, 2018 where 75 people provided background and input to the commercial strategy. In addition to the meeting, 11 phone interviews were conducted with local business owners, land owners, and residents.



A two-day workshop occurred on November 13, 14, 2018. The workshop included a tour of the area, discussion, and concluded with a presentation about the commercial strategy for Mission San Jose to City Staff.



4. MARKET AND RETAIL OVERVIEW

Overview of the City and Study Area Population Trends and Incomes

The City of Fremont is one of the largest and most populous cities in the Bay Area. Table 1 shows that between 2000 and 2018, the city's population grew from 203,400 to an estimated 230,700, representing an average growth rate of approximately 0.7 percent per year. This is roughly in line with the population growth rate of the Bay Area overall during this same time period.

Fremont residents, on average, have relatively high incomes and are ethnically diverse. In 2018, the median household income was \$112,200. This is 36 percent higher than the median income for Alameda County households and 24 percent higher than that of the San Francisco-Oakland-Hayward metropolitan statistical area (MSA). The U.S. Census reported that over half the population in Fremont is Asian, with large numbers of Asian Indians, Chinese, and Filipinos. Fremont also has the largest concentration of Afghans in the United States.

Approximately 19,900 residents live within the Mission San Jose neighborhood market area, an area within a convenient distance from the commercial district where an estimated 70 to 80 percent of the sales are being generated. For this study, the market area has been defined as a five-minute drive by car from the intersection of Mission Boulevard at Pine Street, as illustrated on Figure 2. The area's share of the citywide population has been fairly constant since 2000, at 8.6 percent. In comparison to the city as a whole, the residents in the Mission San Jose neighborhood market area are generally older, more highly educated, have significantly higher incomes, and are more likely to be of Asian descent.

In 2018, the median age of residents within the neighborhood market area was 43.7, about five years older than the median age of Fremont residents. The median household income within the neighborhood market area was \$165,600, nearly 48 percent higher than that for the city as a whole. While 20 percent of residents in Fremont have household incomes greater than \$200,000 (Table 2), in the neighborhood market area that number is nearly double at 39 percent. Asians make up 78 percent of the population in the Mission San Jose neighborhood market area compared to 56 percent citywide. According to projections by ESRI Business Analyst, these trends are expected to continue.

As has been stated, the demographics of the area reveal that Mission San Jose is a high-income area with a highly educated population that is connected to the technology industry in Silicon Valley. However, while the demographics would otherwise point to success, there are many factors that keep Mission San Jose Commercial District from thriving.

One factor is the projected market share of retail dollars in the area over the next ten years. The Mission San Jose area is projected to add approximately 1,400 new residents in ten years. Based on an estimated \$12,000 in retail store sales per resident (excluding automobile dealerships, parts stores, and service stations), the total would be an additional \$17 million in new retail sales. Given the district's location at the eastern periphery of its market area, a reasonable market share is estimated to be 10 to 15 percent, translating into 3,500 to 5,000 square feet of new supportable retail space (Source: ESRI Business Analyst).

Because the area's population is a bit older than the city average, the retail market possibly could support the addition of a new

Table 1: City of Fremont and Mission San Jose Neighborhood Market Area Population Growth and Characteristics

	2000	2010	2018	2023 Projection	2000-2018 Avg Annual Growth Rate
Population					
Fremont	203,413	214,089	230,734	241,309	0.7%
Neighborhood Market Area	17,742	18,561	19,901	20,804	0.6%
Households					
Fremont	68,237	71,004	75,934	79,030	0.6%
Neighborhood Market Area	5,344	5,667	6,039	6,282	0.7%
Median Age					
Fremont		36.8	38.5	39.6	
Neighborhood Market Area		41.4	43.7	45.2	
Median Household Income					
Fremont			\$112,225	\$125,553	
Neighborhood Market Area			\$165,602	\$181,755	

Source: U.S. Census and ESRI Business Analyst

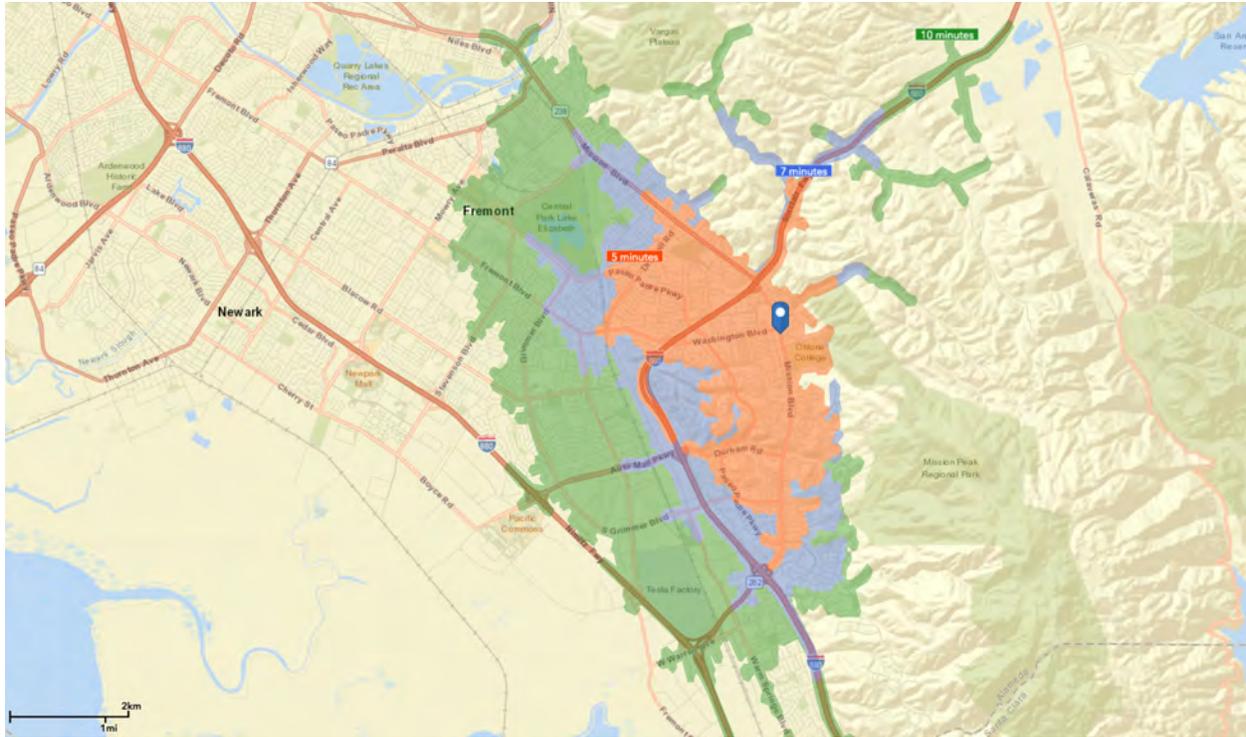
drug store with a pharmacy component of about 5,000 square feet..

As explained further below, there is insufficient new market demand to transform the Mission San Jose Town Center into a vibrant retail village without major capital investment to substantially upgrade its market appeal. Since its location and traffic on Mission Boulevard limit its upside sales potential, the return for major capital investment is highly questionable over a reasonable period of time.

Macro Retail Market Trends That Affect Mission San Jose

Retail is different from all other categories of real estate because retailers locate their business based on their impression of the sales they can generate for their business at that specific location. Retailers like to locate near each other to generate larger sales. The term for this phenomenon is “Retail Synergy,” which can be created by grouping a variety of retailers together that offer goods and services to like-minded customers. “

Retail Synergy” often creates a “feel” of a shopping area and that “feel” can have an impact on the sales generated in an area. The Mission San Jose Town Center currently does not have enough of a cluster of retail tenants to create “Retail Synergy.”



Caption for Figure 2: Map of Mission San Jose Neighborhood Market Area and Five-Minute, 7 Minute, and 10-Minute Drive from the Town Center on Mission Boulevard.
Source: ESRI Business Analyst

For the purposes of this study, the neighborhood market area has been defined as a five-minute drive from Mission Boulevard at Pine Street, just south of Ohlone Community College. The market area shown in Figure 2 roughly covers a triangular area bounded by I-680 to the north and west and the foothills east of Mission Boulevard. The red tone shows the area within a 5-minute drive, blue shows an 7-minute drive, and green shows a 10-minute drive.

Table 2: City of Fremont and Mission San Jose Neighborhood Market Demographics

Households by Income 2018	Fremont	Neighborhood Market Area
Household Income Base	75,934	6,039
< \$15,000	4.5%	2.1%
\$15,000-\$24,999	3.7%	2.6%
\$25,000-\$34,999	4.2%	2.2%
\$35,000-\$49,999	6.2%	2.8%
\$50,000-\$74,999	12.3%	5.7%
\$75,000-\$99,999	11.5%	6.5%
\$100,000-\$149,999	22.7%	21.0%
\$150,000-\$199,999	15.4%	18.4%
\$200,000+	19.6%	38.7%
Average Household Income	\$142,969	\$215,164

Population by Race/Ethnicity 2018	Fremont	Neighborhood Market Area
Total	230,734	19,920
White Alone	28.5%	17.1%
Black Alone	2.6%	0.6%
American Indian Alone	0.4%	0.1%
Asian Alone	56.0%	77.9%
Pacific Islander Alone	0.5%	0.1%
Some Other Race Alone	6.1%	0.9%
Two or More Races	5.9%	3.2%
Hispanic Origin	14.1%	3.6%

Population 25+ By Educational Attainment 2018	Fremont	Neighborhood Market Area
Total	158,092	13,749
Less than 9th Grade	3.1%	1.5%
9th-12th Grade, No Diploma	3.5%	2.4%
High School Graduate	15.8%	5.8%
GED/ Alternative Credential	1.4%	0.7%
Some College, No Degree	14.1%	10.1%
Associates Degree	5.9%	4.5%
Bachelor's Degree	29.4%	33.8%
Graduate/Professional Degree	26.4%	41.3%

Source: U.S. Census and ESRI Business Analyst

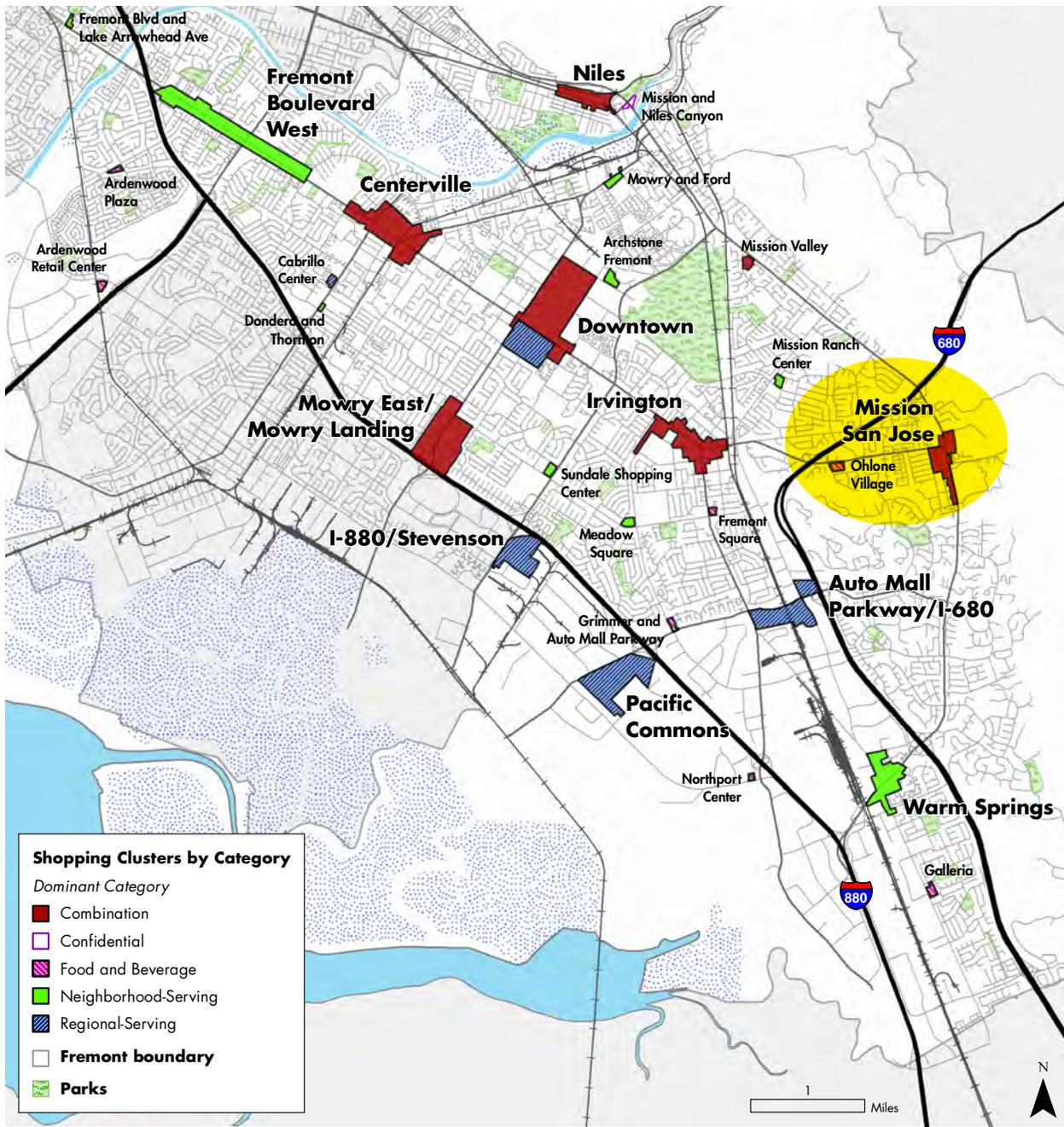
In addition to clustering retailers together, demographics and shopping patterns have a tremendous impact on the sales of the retailer. “Millennials” in the population have had a large impact on retail sales because they are the largest single demographic group in the history of the United States, and their shopping habits are dramatically different from previous generations. For example, the millennial age group has postponed purchasing large consumer items, such as cars and houses, waiting about ten years later than previous generations. As a result, there is a temporary decrease in the purchases of large consumer items and incidental purchases related to those items. In addition, the millennial population spends in a different pattern, relying more heavily on internet shopping than earlier generations. These phenomena of internet spending and a decade delay in purchasing large items has caused disruption in an already changing retail world.

The Great Recession, which started in 2008, caused diminishing sales for many retailers. When the Great Recession ended, retail sales did not bounce back immediately due to changed customer shopping habits through e-commerce. Most shoppers were looking for additional “value” in the goods and products purchased online came with the added benefit of being delivered. This shift caused brick and mortar retailers of goods to close, locate in fewer places, and/or shift to online sales.

Service and experience based businesses, like salons and restaurants, are still viable in neighborhood retail centers like Mission San Jose. Customers are still attracted to “third places.” The third place is the social surroundings separate from the two usual social environments of home and the workplace. Examples of third places would be cafes, breweries, clubs, churches, libraries, and parks.

Commercial/Leasing Perspective of Mission San Jose

Mission San Jose, while perceived as a financially strong area, is also seen by retailers as an “out of the way” area with a limited customer base. While the household income is high, the trade area is limited by the hills to the east, and there is not enough population to support more retail. Mission San Jose is currently considered marginal when it comes to retail in a citywide context. While the Mission San Jose Town Center does not have a lot of vacancy (as identified in Costar), what becomes available stays on the market for a long time and often gets leased by a service retailer. There are not many national chains in the Town Center, except Starbucks and Subway. In addition, the impact of online shopping has limited the retailers in the area to ones that are closely tied to physical experiences like dining and personal services. Local services also include a bank, gas station, and a post office. Also, commercial establishments are not continuous along the street frontage, therefore disallowing the creation of “Retail Synergy” and there are very few stores that lend to comparison shopping along Mission Boulevard.



source: California State Board of Equalization (SBOE) 2007, City of Fremont 2007, Strategic Economics 2008

Figure 3: Fremont Shopping Clusters by Retail Category

This map of Fremont Shopping Clusters by Retail Category shows the relative size and locations of retail throughout Fremont. The Mission San Jose Commercial Area is located along the edge of the city and separate from other retail nodes. The Ohlone Village Shopping Center located along Washington Boulevard and near the I-680 off-ramp is another nearby commercial area that has a stronger location and is therefore more competitive than the Mission San Jose Town Center.

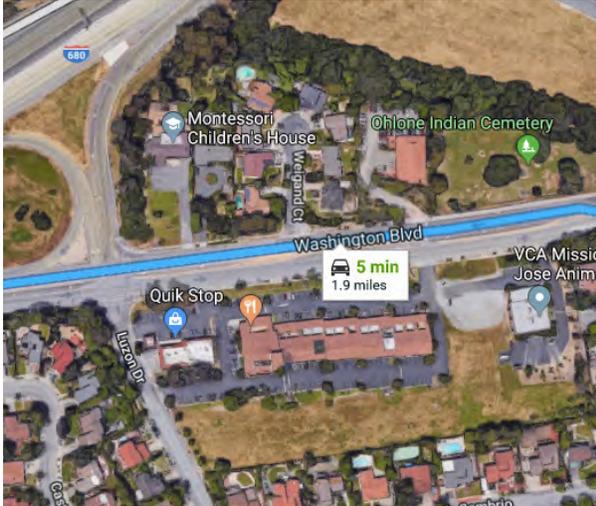


Figure 4: Ohlone Village Shopping Center
Aerial The aerial shows the location of the Ohlone Shopping Center just off the I-680 off-ramp on Washington Boulevard and the potential for expansion on to the vacant parcels around the existing site.

Competitive Shopping Locations

The Mission San Jose Town Center and the Ohlone Village Shopping Center are alternative shopping areas that serve the same residential area within Fremont. On one hand, the Mission San Jose Town Center benefits from tourist visitation to the historic Mission San Jose church and museum, and commuter students to Ohlone College. On the other hand, Ohlone Village is at a crossroads location just off Interstate 680, and reaches a larger residential market within a comparable drive time.

The Ohlone Village Shopping Center is located near the off-ramp of Interstate 680 on Washington Boulevard, about one mile from the Mission San Jose Town Center (Figures 3 and 4). It is more commercially successful in comparison to the Mission San Jose Town Center, because it has the advantages of proximity to Interstate 680, available neighborhoods in all directions, and convenient access and parking. There are also adjacent parcels on which the Ohlone Village Shopping Center could expand, which would further give it an increased competitive advantage over the Mission San Jose Town Center.

Table 3: Seven Minute Drive Time Market Area Comparison in 2018

	Mission San Jose	Ohlone Village	Difference
Population	37,231	59,013	58.5%
Households	11,531	18,671	61.9%
Per Capita income	\$61,439	\$49,960	-18.7%
Median Household Income	\$153,430	\$118,875	-22.5%
Total Income in Millions	\$2,287	\$2,948	28.9%
Projected Population Growth 2018-23	1,827	3,198	75.0%
Ethnic Concentration			
Asian Percentage	75.4%	61.1%	
Hispanic Origin Percentage	4.8%	13.3%	

Source: US Census and ESRI

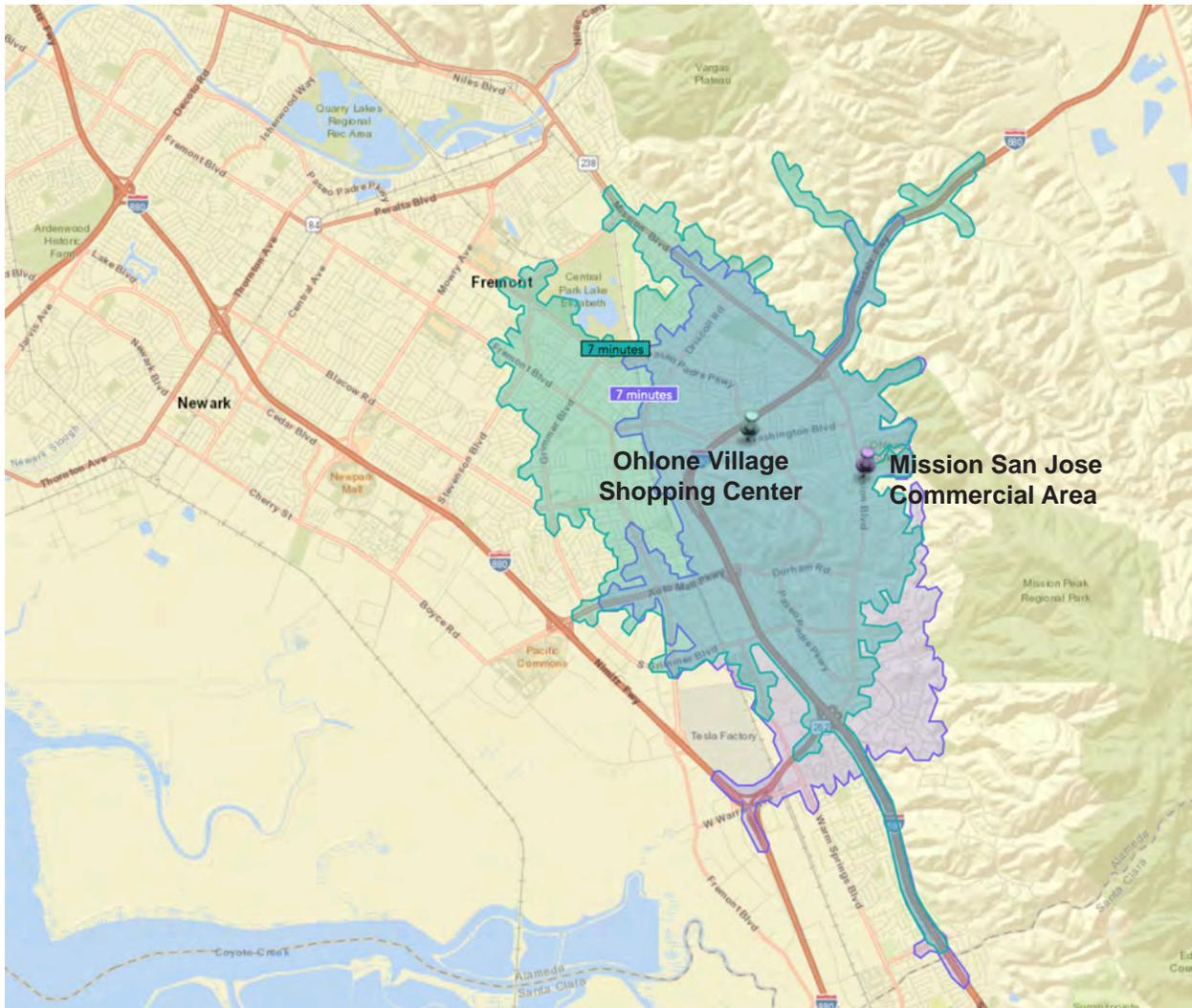


Figure 5: Comparison of Market Areas for Mission San Jose Within Seven-Minute Drive Time

Ohlone Village Center is positioned more centrally within the market area than Mission San Jose, where the trade area is limited to the east by the geography of the hills.

As shown in the map in Figure 5, which illustrates the market areas served by the two commercial districts within a seven-minute drive time, the Mission San Jose Town Center reaches further south to an area of fewer homes while the Ohlone Village Shopping Center reaches further northwest where there is more population. The overlap market area on the map is blue, which shows that Mission San Jose competes for the same market as Ohlone Village.

The comparison illustrated in Table 3 shows that in 2018 for the seven-minute drive time market area the Ohlone Village Shopping Center has 59 percent more population, 62 percent more households, and 29 percent more total income as compared to the Mission San Jose commercial area (Table 3). Ohlone Village Shopping Center market area population is also projected to grow 75 percent faster in a five year forecast from 2018 to 2023 by ESRI. However, it is worthy

to note that the Mission San Jose Town Center trade area has an advantage of a higher median household income and a very high concentration of population that is Asian at 75 percent. The retailers in the Mission San Jose Town Center are not as focused on the Asian population as in other markets with a comparably high Asian percentage of the population.

The Ohlone Village Shopping Center, at 50,500 square feet, is fully leased to mostly food and convenience retail uses. Ground level stores cater to multiple ethnic markets; the upstairs spaces are mostly service and office uses. The largest tenant is a grocery store that specializes in both Russian and Iranian food items. Nearby is a tea shop that targets Asian clientele. In contrast, the increasing propensity for online shopping plus declining enrollment at Ohlone College have contributed to the erosion of retail demand in the Mission San Jose Town Center along Mission Boulevard.

With regard to groceries and pharmacies, most people living in the market area frequent the Irvington Safeway, Warm Springs Safeway, or they venture south to a large shopping center in Milpitas. For a grocery store to consider locating in the Mission San Jose Town Center, they would typically first determine how many clients are in the immediate area, so that they could determine their proposed sales volumes. Based upon the existing demographics, the Mission San Jose Town Center currently does not have enough potential grocery clients to warrant a new grocery store. In addition, there is not enough land to build a new grocery store in the area.

The pharmacy business model is different from many other retailing entities. It is driven by prescription fulfillment sales. Prescriptions at a pharmacy subsidize the sales of goods in the rest of the sales area of a drugstore.

A pharmacy would be a more viable major tenant in Mission San Jose than a grocer or other retailers, given the business model and demographics of the area. A pharmacy is a smaller format than a grocery store making it more possible for it to fit within the largest potential site at Ohlone College.

For apparel shopping, shoppers typically go to a large regional, outdoor or covered shopping mall, such as Pacific Commons, Newpark Mall, Valley Fair, or Stoneridge Mall. It is very difficult for apparel retail stores to survive economically in a neighborhood shopping district.

5. SUMMARY OF STRENGTHS, WEAKNESSES, OPPORTUNITIES AND THREATS (SWOT)

An important part of the Mission San Jose Commercial Study is generating a SWOT analysis for area. The full analysis is included in the Appendix. This is a brief summary of the SWOT that apply to Mission San Jose.

Strengths

The residents of Mission San Jose are amongst the areas greatest strengths. They are technologically savvy, well educated, strongly connected, diverse, and affluent. The California Mission at the center of the neighborhood is a destination. There are charming historic buildings that reinforce the tourist appeal of the area. There are some beloved businesses in Mission San Jose. Amongst the retailers that are in Mission San Jose, there is low commercial vacancy. The natural beauty of the hills and portions of streetscape are easy to appreciate.

Weaknesses

Cut-through traffic on Mission Boulevard is a major weakness in the afternoon hours. Even without traffic Mission Boulevard is at the edge of the Fremont and considered “out of the way.” The area faces competition from Ohlone Village Shopping Center, other shopping centers, and online retail for the market area within a seven-minute drive.

The area is at a competitive disadvantage for certain capital improvement funding sources because it is not near transit, and is an area with high income. Past improvements to the area have been limited to the amenities that developers have provided and special grants. As a result, the infrastructure of secondary streets is not contiguous.

The linear layout of the commercial area is too long for walkability and is too spread out. There is no retail synergy at the moment. The areas older buildings are physically obsolete for today’s retail criteria.

Opportunities

A Master Plan could be developed that would allow new development to better understand how to invest in the community. The Master Plan could unite and grow the Mission San Jose Commercial Area by focusing new growth in the Primary Commercial Area that includes Mission Boulevard, Anza Street, Ellsworth Street, and Washington Boulevard.

There is an opportunity to make Ellsworth Street a new supporting secondary retail main street with new development. Pathways that connect Ellsworth to Mission Boulevard could help define the central part of the district and connect more attractions for visitors.

The Ohlone College development proposal for housing and retail is an opportunity for the commercial success of the Town Center and for improvements to Mission Boulevard at Witherly.

There is more that can be done to improve signage, events, and marketing to tourists and draw more people to the area.

Threats

Potential expansion of Ohlone Village Shopping Center will compete for tenants that would otherwise consider Mission San Jose.

Land prices currently favor residential over retail focused development, which will make it challenge to convince land owners to build new retail without housing. Retail design could be compromised if proposals are too housing-centric in design.

If private investment/new development does not occur, the area will lose out on possible community benefits like public amenities, street improvements, and more functional retail spaces.

6. STRATEGIES TO POSITIVELY IMPACT MISSION SAN JOSE



The desired scale and character of Mission San Jose is similar to the scale of Montclair Village in Oakland, with a variety of buildings that are 2-3 stories tall with retail at the ground floor and distinctive character.

There are solutions to the challenges that face the Mission San Jose Town Center. In the Urban Field team's interaction with stakeholders and workshop attendees, all parties identified that they would like to find a way to create a "sense of place" at the Mission San Jose Town Center. This desire is consistent with the General Plan's vision for a "distinctive and vital village" with preserved and restored historic sites, thriving commercial establishments, and an inviting environment for pedestrians. This desire also corresponds with the City Council's direction to emphasize restaurants, retail, and entertainment uses in the commercial strategy study. Many of the study participants wanted more visitors to come to the area. However, many participants also mentioned the need to reduce traffic and improve retail and public gathering places in the area, so that local residents could shop and gather close to their homes instead of traveling to other parts of Fremont.

To that end, the Urban Field team has identified a group of goals and strategies that can effect change when implemented. The changes that occur will coincide with the effort and dollars spent. Change is possible, even if it is initially in small steps.

Goals:

- Create a sense of place that residents and visitors enjoy when coming to Mission San Jose Town Center.
- Encourage a wider variety of commercial uses that will enhance the quality of life in the area, including restaurants, medical offices, and places for after school activities.
- Find a way to attract retailers that will serve the local community so that local residents do not have to leave the area to shop.
- Reduce pass through traffic so that circulation can be made easier and more convenient.
- Enhance the historic nature of the California Mission destination.
- Maintain the scale and character of a historic "village."
- Provide more amenities to families with children.
- Provide more gathering spaces and public outdoor plazas.

Strategies:

A. Primary Commercial Area Master Plan

Focus energy for the district in a smaller area of the Mission San Jose Area — the Primary Commercial Area. The configuration of the entire district runs along half a mile of Mission Boulevard. Addressing the entire distance would be too costly and would take too long. Create a Primary Commercial Area and focus efforts on that area first.

Create a Master Plan for the Primary Commercial Area that links Ellsworth Street and Mission Boulevard with pedestrian walkways and shared parking.

B. Mission San Jose Identity

Enhance the Mission San Jose identity with marketing, branding, and events. Improve the influx of patrons from outside the area. Educate the public about the historic assets and hiking trails available at Mission San Jose.

C. Leasing/Merchandising Plan

Assess the willingness for local property owners to coordinate/participate in a leasing/merchandising plan for existing properties to create as much retail synergy as possible. Gather similar retail uses together to help create the synergy.

Focus efforts on tenants that serve the Asian influenced demographics and family orientation, recognizing the demographics of the area's residents.

D. Improve the Public Realm

Identify gathering areas and outdoor amenities throughout the Mission San Jose Town Center, upgrade infrastructure for new restaurants and services, and consider streetscape improvements along Ellsworth Street, as well as Mission Boulevard.

E. Ohlone College

Weigh the benefits and disadvantages of Ohlone College's proposal to build more housing and a pharmacy at the corner of Witherly Lane and Mission Boulevard. On the one hand, the project would result in additional customers for businesses in the district, provide an opportunity for a new commercial anchor tenant (pharmacy), and could potentially provide one funding source for circulation improvements. On the other hand, the project would require the City to change its General Plan, adding growth in an area not previously designated for residential development and impacting traffic, schools, and open space.

A. Primary Commercial Area Master Plan

The Mission San Jose Primary Commercial Area

The Primary Commercial Area is bounded by Mission Boulevard, Washington Boulevard, Ellsworth Street, and Anza Street, and includes properties on both sides of the street.

This area should be the priority area for improvements within the Mission San Jose Town Center. The configuration of the entire district runs half a mile along Mission Boulevard. Addressing the entire distance would be too costly and would take too long. Focusing initial efforts on the Primary Commercial Core Area would establish some momentum for the future commercial success of the district.

The Secondary Commercial Areas within the Town Center will benefit from a stronger Primary Commercial Core Area.

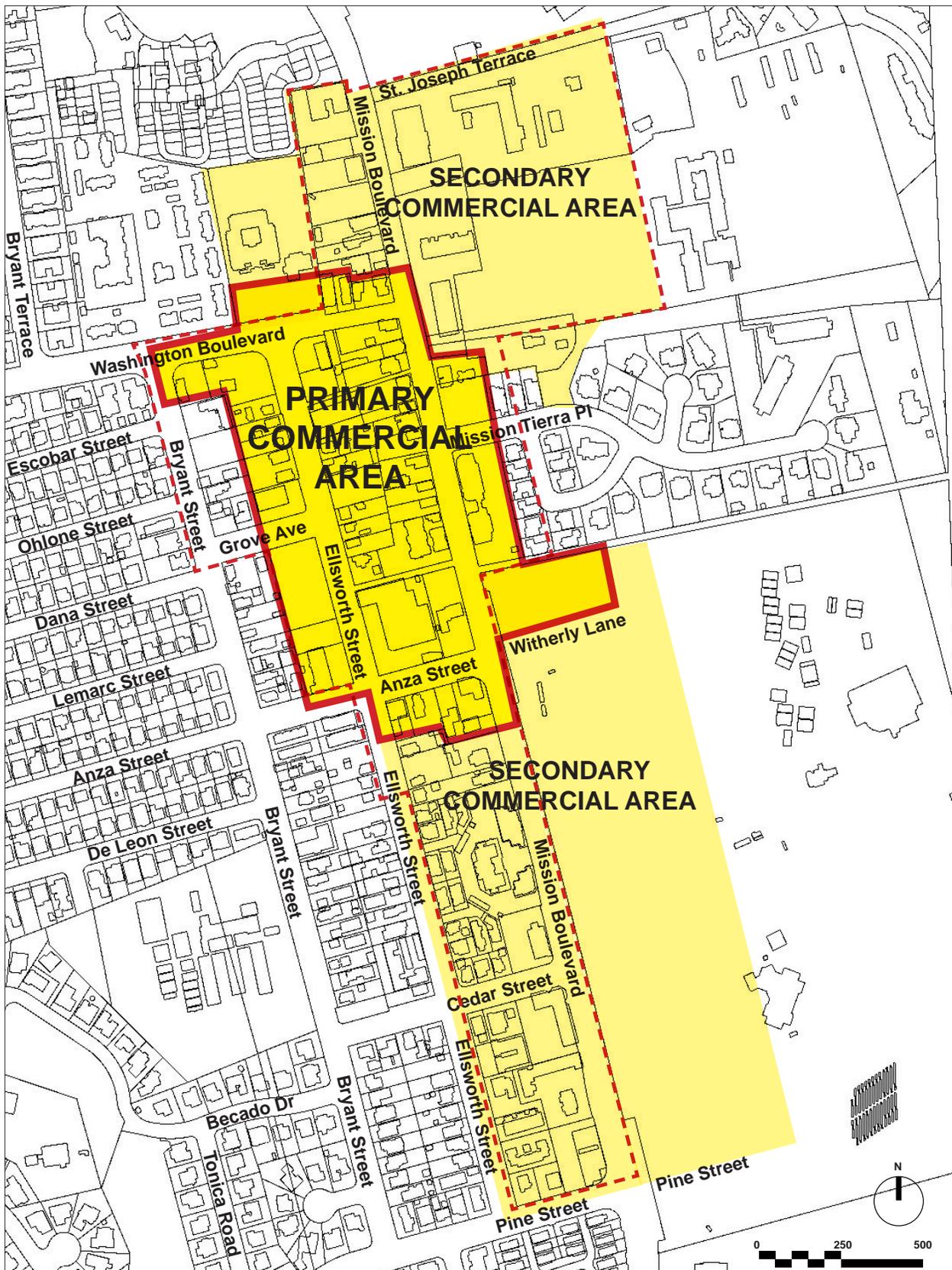


Figure 6: Mission San Jose Commercial Strategy Area at 1" = 250'-0"

The "Primary Commercial Area" bounded by Mission Boulevard, Washington Boulevard, Ellsworth Street, and Anza Street is the highest priority of the Mission San Jose Commercial Area. Surrounding areas are secondary commercial areas in the Town Center.

Comprehensively Plan the Primary Commercial Area

The pattern of development in the Mission San Jose Town Center has taken place in a parcel-by-parcel manner, which has hindered logical improvements to the public realm. Comprehensive planning for the Primary Commercial Core Area focuses improvements to the core district, which can help shape how people use the entire Town Center, thereby contributing to the success of the commercial area.

Public spaces, the location of retail, alleys, and street improvements need to be considered comprehensively in a coordinated plan.

A comprehensive plan for the Primary Commercial Area would help the entire district identify what is physically possible and also what is necessary for the fundraising effort to make improvements.

- Develop a Master Plan which includes a Financing Plan.
- Analyze the existing commercial buildings to determine possible improvements and categorize them by size and utility capacity. Document the existing amenities in place to allow potential retailers to quickly assess the spaces available to them.
- Define retail sites first and then housing around them. The plan must be retail-driven.
- Integrate important existing buildings and support the overall character
- Identify parcels for possible interim public parking to serve the Primary Commercial Area
- Identify streetscape, public realm improvements and amenities, and community benefits desired.

- Maintain/enhance mid-block access.
- Identify fundraising capacity and make a fundraising plan.
- Include infill around key sites, save key sites, and include incentives to consolidate or cooperate on development of adjacent parcels. Consider the long term redevelopment of aging shopping centers.
- Use the plan to bring property owners together to potentially discuss common purposes.

Assist New Retail Development

The City can consider enhancing the existing resources for new retail development.

- Provide advice at the pre-application stage of development with historic, ADA, and signage issues.
- Provide advice on best development practices to meet retail-driven design for mixed-use buildings through peer review.
- Provide assistance, with City staff or with consultants, to advise existing landowners on how to upgrade their properties to attract high quality tenants. This could be part of a retail design assistance program.

Retail in Mission San Jose

Most of the existing buildings in the Mission San Jose Town Center contribute to the historic charm of the district, but are physically obsolete for most mainstream retail preferences. There are few opportunities for national chains to locate in the area, with the exception of the parcel at Ohlone College. A national chain anchor, like a pharmacy, would help stabilize the commercial area and attract customers from outside the area.



Figure 7: Mission San Jose Commercial Strategy Area Primary Commercial Area Oblique Aerial

Source: Google Maps



Existing retail spaces on Mission Blvd don't meet the needs and requirements of national chain retail.

Online commerce continues to impact the viability of the sales of goods, which leaves entertainment and service retail as more viable options for neighborhood-serving districts like the Mission San Jose Town Center. Existing buildings are typically not up to building code to easily facilitate food service tenants. New space in the Primary Commercial Area built for restaurants and services would attract better tenants to the area. The retail location and format of the Ohlone Village Shopping Center is currently superior to the Mission San Jose Town Center.

The addition of better retail spaces can have the effect of upgrading tenants throughout the area. The placement of new retail development should be considered in an overall plan (rather than parcel-by-parcel) to maximize the synergy and coherence of the Town Center. Housing subsidizes the construction of new commercial spaces that better fit the market. Ensure new mixed-use projects are well-designed and retail-driven.

Existing buildings are still appropriate for independent businesses of goods and services. Currently, there is a disproportionately large cluster of educational services in the area. The educational services draw regular local customers to the area that could be better served when they visit. The clientele of education services make regular visits and often stay for the duration of tutoring sessions. Educational uses are currently not permitted but should be allowed in specific locations, on upper floors of buildings, or in historic buildings. These businesses represent the market demand, and zoning should allow for it. The only place where educational uses should still be restricted is the ground floor of new development along Ellsworth between Anza and Washington. This segment within the Primary Commercial Area should be competitive for restaurants and retailers of goods, and be designed as commercially attractive spaces.



An anchor tenant, such as a pharmacy or a larger restaurant catering to the area's demographics, are also beneficial to smaller retail tenants in the commercial area.



Ohlone Shopping Center is a competitor to the commercial area due to its location and format.

Retail Driven Design

Retail in the Mission San Jose Town Center is required at the base of new buildings. When new residential mixed-use buildings are being considered, it is critical that the design adequately supports the tenant who will ultimately occupy the retail portion. Improve existing development proposals in Core Area through design review by the City, possibly with assistance by a consultant.

The design of the entire mixed-use building is critical to obtaining quality tenants on the ground floor. The height of the first floor needs to be tall and transparent and clearly

look like retail (as opposed to housing). The depth of retail, access to parking, access for deliveries, and the design of the storefront are all factors that influence whether tenants will choose to locate in the Mission San Jose Town Center.

Vertical mixed-use is encouraged in the Primary Commercial Area where there is a market for new commercial retail. The design of vertical mixed-use must prioritize retail as the driver of the building design. That can be achieved through zoning changes or design guidelines for town centers.

- Require mixed-use development design to be retail-driven. Rules and guidelines should place more emphasis on retail needs and requirements. Explore zoning policy for adequate spatial standards for retail spaces on the ground floor of mixed-use buildings. Require new retailers to consider the “back of house” and service entrances in the layout of the plan.
- The zoning, which currently allows vertical mixed-use development should inform what can be built, with some flexibility in

order to encourage, but not require, new vertical mixed-use buildings in the area.

- Consider allowing housing as an interim use in future retail spaces on the ground floor outside of the Primary Commercial Area only. Consider the ability to convert existing single family residential to retail uses on the ground floor.
- Prioritize ground floor retail to be located at street corners.
- Zoning should also allow educational uses in specific locations. Explore locations for educational uses in spaces that are not ideally suited for retail, such as some historic buildings. Office could also be appropriate in some of the spaces on Mission Boulevard. Do not allow office and educational uses at the ground floor on Ellsworth Street in the Primary Commercial Area. Make this segment as activated as possible with restaurant and retail.
- Study parking requirements for new housing, retail uses, and mixed-uses within the Primary Commercial Area and for on-street parking. Parking areas in the Primary Commercial Area should be encouraged to support the existing retail.



Figure 8: Example of mixed-use development that is retail driven
The retail spaces in the example above facilitate shop visibility that supports activity at the sidewalk edge. The design of the site and building was driven by retail needs as a priority.

Focus on Ellsworth Street as an Important Parallel Street

Ellsworth Street could become a retail-focused street parallel to Mission Boulevard. Due to its high traffic volume, Mission Boulevard is challenging for pedestrian-oriented retail to be successful on both sides of the boulevard.

Ellsworth Street presents more opportunities to create a sense of place for the community to enjoy. Larger vacant or underutilized sites and adequate street widths exist on Ellsworth Street, which could allow development of a more typical Main Street-type layout.

Mid-block walking connections can tie Mission Boulevard and Ellsworth Street together, making it easy to walk within the area once parked.

Retail along Ellsworth Street could also connect to the already existing commercial uses along Washington Boulevard.

Parallel retail streets also make it easy for vehicular traffic to circulate within the area and find parking. It can create two retail-focused streets that can be different in character. Mission Boulevard could include more auto-oriented retail, while Ellsworth Street could be designed for a more pedestrian focus with wide sidewalks, diagonal parking, and mini plazas.

Examples of parallel streets with both successful retail establishments and good traffic circulation:

- Polk/Van Ness (San Francisco)
- Chestnut/Lombard (San Francisco)
- Crescent Drive/Contra Costa Blvd (Pleasant Hill)
- North Main Street/Broadway (Walnut Creek)
- Locust Street/California Blvd (Walnut Creek)
- Moraga Way/Camino Pablo (Orinda)



The corners of Ellsworth Street at Washington Blvd are part of the Primary Commercial Area. The physical enhancement of buildings at these corners will greatly influence the character of the area.



The former McIvor's Hardware building on Ellsworth Street needs upgrades to appeal to larger tenants. The upgrades could also include improvements to the frontage on Ellsworth, access to parking, and pedestrian connections to Mission Boulevard.



Mid-block connection example in Mountain View

B. Mission San Jose Identity

Recognize Mission San Jose as a destination. Attract people from outside the area.

Enhance the Mission San Jose identity with marketing, branding, and events. Improve the influx of patrons from outside the area. Educate East Bay residents about the historic assets and hiking trails available at Mission San Jose.

Marketing efforts for the district may identify even more opportunities by consolidating the efforts of the Chamber of Commerce, Visitors Bureau, or other organizations that already exist in Mission San Jose. Consider branding the Mission San Jose area more intentionally.

Better signage and wayfinding would help direct visitors to attractions in the district. Signage could effectively attract customers from Ohlone College's events, Mission Peak hikers, and visitors to the California Mission.



An area-wide signage program would help visitors find attractions.



The Mission can attract visitors like these 4th graders on a field trip to learn about the California Missions.

Strategies for strengthening the identity of Mission San Jose include:

- Revisit marketing efforts for the Mission San Jose commercial area through the Chamber of Commerce or a future Business Improvement District to fund as much as possible.
- Advertise and market features, events, and history. Continually highlight the best of Mission San Jose through all media channels, from social media to print.
- Improve the signage and wayfinding for the area.
- Grow existing California Mission events, including the Olive Festival, Christmas tree lighting, and Los Posadas.
- Organize and promote new cultural events to attract people to the area. Events like farmer markets, festivals, pop-ups, fairs, markets, Friday night movies, art walks, and concerts could be added to the calendar by community groups to draw new visitors to the area. Work with local event coordinators to bring more events to the area.
- Increase marketing of the California Mission (start with fourth graders), and enhance the importance of the area as a California Mission destination.
- Highlight the Mission San Jose Museums.
- Add Ohlone College's Performing Arts Center and Mission Coffee monthly music to the area's events calendars.
- Recognize and utilize the Olive Hyde Community Center and Arts Gallery, the Old School Building, the St. Joseph's Church and School, and the Dominican Sisters Conference Center as event centers.
- Create an event for hikers to Mission Peak trail heads at Ohlone and Stanford Avenue.

C. Leasing/Merchandising Plan

Assess the willingness for local property owners to coordinate/participate in leasing/merchandising plan for existing properties to create the best retail mix possible. The effort could be City led or a retail broker can be hired to contact and coordinate the effort to attract complementary businesses. The effort may be initially led by the City, but would then rely on funding from the Chamber of Commerce. The Leasing/Merchandising Plan should identify tenants that have strong “retail synergy” and that could serve the Asian influenced demographics and family orientation of the area’s residents.

Educational services (tutoring facilities) are commonly found in Mission San Jose; there are over 25 found within the area, many in the Primary Commercial Area. There is a restriction on educational uses in the zoning code in the TC-P (Town Center Pedestrian) zoning district, which should be revisited in Secondary Commercial Areas. Educational services bring customers who make regular weekly or daily trips. A leasing strategy that builds off these services could take advantage of repeat customers to existing education centers. If educational services are allowed in the area, they should be restricted in the Primary Commercial Area to upper floors and allowed by right everywhere else in the Town Center.

Residents desire a better mix of goods and services from independently owned businesses. Commercial success would include restaurants and places to congregate and socialize. Retail is moving away from goods and becoming more entertainment and service based in Mission San Jose.

Ohlone College students, staff, and visitors could also benefit from college-oriented businesses.

Suggestions for improving the neighborhood retail mix:

- Assess the willingness for local property owners to coordinate/participate in an area wide leasing/merchandising plan based on demographically suitable target tenants and the Primary Commercial Area Master Plan.
- Analyze the existing buildings in the area and determine the size of the spaces and utilities-overlay. Use the information about available spaces to attract possible tenants
- Support growth of independent businesses and small businesses. Bring in a non-profit incubator program and assistance for new independent businesses in Mission San Jose to grow the potential independent retailers that the community desires
- Look for new tenants to create synergy
- Allow public service uses in the overall mix of non-residential uses in the larger area— include education, health care, libraries, child care, senior services, and job training in shared facilities wherever possible.
- Allow educational services outside in the Secondary Commercial Area.
- Allow the conversion of older single family homes to commercial uses.

D. Improve the Public Realm

A big part of the commercial success is the creation of a sense of place, including more gathering spaces, plazas, and amenities for children, residents, and students at Ohlone College.

Public open spaces do not need to be big to be effective. The design of seating at the edges, planters, and allowing flexibility in terms of setting up dining areas can all be fit into a setback.

At a larger scale there is a lack of pedestrian infrastructure and a disjointed public realm throughout Mission San Jose Town Center. Maintaining existing alleyways, investment in new mid-block connections and streetscape improvements should be considered at a district level to make the area more functional and enjoyable.



The enhancement of the public realm through good street design, wider sidewalks, and small plazas will enliven Mission San Jose and make it a more desired destination.



Improve streetscape on key streets that combines on-street parking with wider sidewalks and landscaping.

Public spaces should be provided by the private sector. There is no money available to purchase land by the City to create small plazas. And the City does not have the funding to maintain small public spaces. Alternative funding sources should be found to make this a community benefit.

Alleys and Mid-Block Connections

There are a number of mid-block connections that exist throughout the Primary Commercial Area. The alleys are essential to circulation and “back of house” functions. The alleys can be improved for pedestrians and bicycles and possibly for limited auto access. These connections help make the area more walkable by providing shortcuts.

- Primary Commercial Area alleys should be open and public.

Outdoor Public Spaces

Existing public spaces would be more effective if they were considered a part of a district network. The approach for creating the network should be part of the Master Planning effort.

Gathering areas and outdoor amenities throughout the district could be improved with outside dining, pop up retailers, or activated with programming to function as an outside amenity (a playground, for example).

New public amenities throughout the Primary Commercial Area could be created either through community investment in public amenities or by requiring or incentivizing public spaces as part of new development.

- Outdoor public spaces are a community benefit that should be required of new development on-site

Traffic Improvements

The heavy peak period traffic on Mission Boulevard deters customers to the area.

Traffic and streetscape conditions on Mission Boulevard have been studied with the “Mission San Jose Multimodal Corridor Study,” dated April 2018 (see Figure 9 for an excerpt regarding streetscape along Mission Boulevard in the Primary Commercial Area). The Multimodal Study is a step in the right direction, proposing a “complete street” consistent with the General Plan. The Multimodal Study preferred alternative includes class II buffered bike lanes and more visible crosswalks.

It is important to note that the streetscape study proposals are currently not supported with funding by the City. Grants and private investment have been discussed as alternatives to City funds.

Generally, the effort to reduce traffic is multi-pronged:

1. Improvements on Interstate 680 that will increase capacity will be opening in the next few years, which will lessen the cut-through traffic burden in places like Mission San Jose.
2. Additional public transportation through AC Transit to Ohlone College has been explored; however, the net effect is marginal on this transit outpost.
3. Traffic calming and related streetscape improvements could improve the walking environment, add bicycle infrastructure, and create a new physical character for Mission Boulevard in the Primary Commercial Area.

The Mission San Jose Chamber of Commerce is currently advocating for the “Mission Boulevard Multimodal Corridor Study” for

The Corridor - Mission Boulevard Preferred Alternative

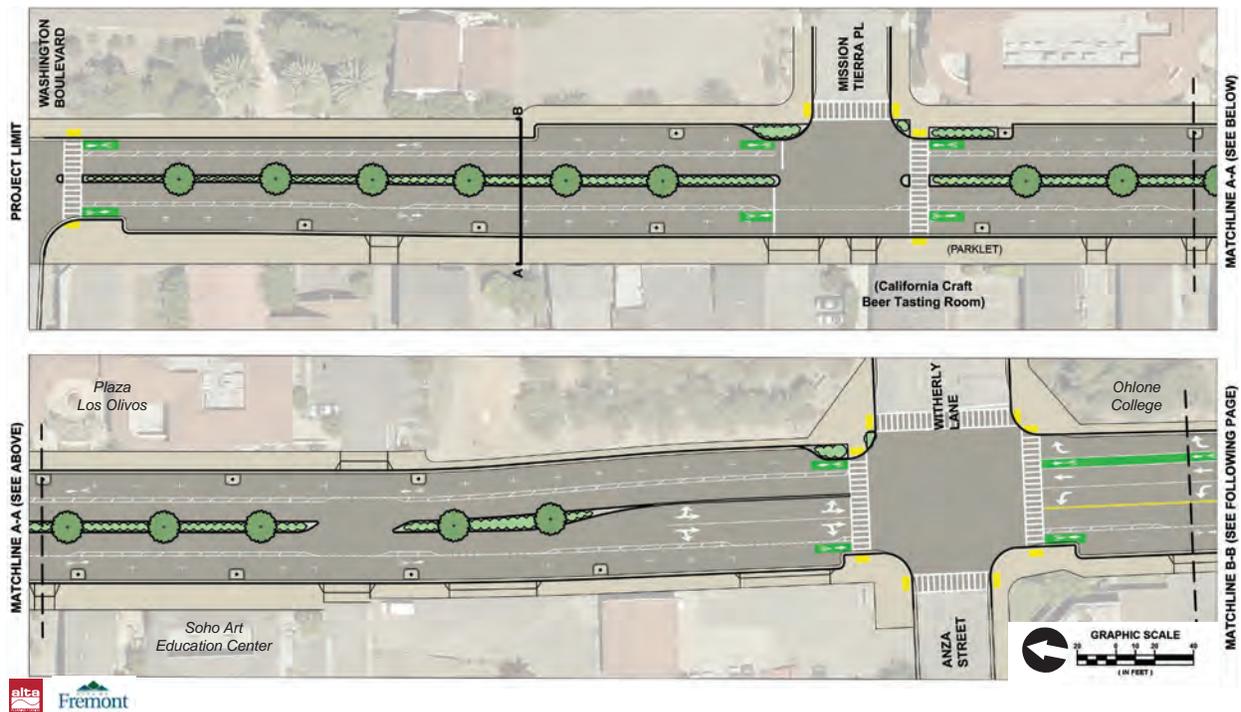


Figure 9: Selected pages from the Mission San Jose Multimodal Corridor Study, April 2018.

the District. The focus on Mission Boulevard needs to be expanded to the entire district and become more retail sensitive. The regional efforts to reduce cut-through traffic will show results in time. Meanwhile, it is hard to imagine Mission Boulevard supporting viable retail on both sides of the street given the traffic conditions.

Recommendations:

- Adding crosswalks on Mission Boulevard at key locations.
- Eliminating medians from any future proposals for the portion of Mission Boulevard that falls within the Primary Commercial Core Area. Medians do not work well for left turn access to retail.
- Leaving the sidewalks as existing on Mission Boulevard. The streetscape has been recently completed in portions. It is also continuous. It does not make sense to spend more funds on Mission Boulevard streetscape in the near future. Consider the impact of street improvements as a disruption to businesses during the construction.
- Prioritizing streetscape efforts on secondary streets. Anza Street, Ellsworth Street, Washington Boulevard, and alleys throughout the Primary Commercial Core Area need significant upgrades. Circulation is easier on the secondary streets. If there are funds for street improvements in the area, apply them to quieter streets that are less built out.

Streetscape Improvements along Secondary Streets

Ellsworth Street has a strong potential to be a walkable secondary street parallel to Mission Boulevard (the main street). Ellsworth Street currently has a disjointed public realm, and improvements to unify the streetscape character would have a long term impact.

Tactically, there is more potential for new development on Ellsworth Street in comparison to Mission Boulevard.

Ellsworth Street between Anza Street and Washington Boulevard should be improved as a single project. Improvements on Ellsworth Street should be a central part of the Primary Commercial Area Master Plan.

Suggested enhancements to the pedestrian experience: make wide sidewalks, add more street trees and vegetation, provide small plazas and street furniture, mark diagonal parking on both sides, and improve the underground water and sewer utilities along the street to accommodate new restaurants and services desired in the area. Consider redesigning the intersection at Washington Boulevard and Ellsworth Street as a gateway to the new walkable street.

Streetscape improvements can be built out in segments. If necessary, phase new projects as Pilot Projects, using paint and planters to lay the groundwork for permanent improvements.

New development will frame the streetscape on Ellsworth Street. New development should keep the character of the area as a “village” with a Western feel (taking cues from Mission Coffee’s screen door and porch).



Streetscape pilot projects with simple interventions can test the effect of different configurations to improve a street.

Parking

Technically, there is enough parking for current needs, but it is not located in the correct areas to support both the current retailers and any future retailers coming into the area.

- Consider relocating the existing public parking lot across from the California Mission to a place that is more central, perhaps on Ellsworth Street. Swapping the land for the existing public parking lot may be one way to move parking closer to the Primary Commercial Area.
- Visibility of existing public parking must be improved with signage. Parking is only part of the larger need to call out landmarks and attractions with signage in the area.
- A parking district could also be considered for this area sharing the cost of new parking areas among all property owners. Shared parking should ideally be located in the middle of the block bounded by Washington, Mission, Anza, and Ellsworth. The design should maintain good connectivity via mid-block paths to both Mission Boulevard and Ellsworth. If necessary, convert parts of empty lots on Ellsworth to a parking lot temporarily as an interim step.
- Once there is common parking established, reduce the parking requirements for new retail development. Maintain enough public parking to provide parking ratios of 3 stalls for every 1,000 net square feet of retail space.



Existing public parking is available but not easily visible and located too far away from the Primary Commercial Area.



Potentially create centrally located shared parking lots with visible signage.

E. Ohlone College

Ohlone College is currently proposing a project at the edge of its campus on Mission Boulevard between Pine Street and the property north of Witherly Lane. The plan currently calls for new retail and housing adjacent to the Primary Commercial Area. The project has benefits and disadvantages from a commercial vitality perspective. The City should carefully weigh the benefits and disadvantages of the proposal. Potential benefits include:

- There is room for an anchor-sized tenant on the site to the north of Witherly to attract customers from outside the area.
- The location of the future retail at the northeast corner of Witherly Lane and Mission Boulevard will help to build synergy within the Primary Commercial Core Area.
- The character of Mission Boulevard would be more built up and established with development on both sides of the street (while also preserving the historic olive trees).

- There are potential community benefits that can be obtained as off-site requirements.
- The presence of Ohlone College within Mission San Jose is important and so are the students, staff, and visitors to the commercial success of the area.

Additional retail shops as part of the development alone would not strengthen the Primary Commercial Core Area. New retail shops which are far from the Primary Commercial Core could detract from the Area. While vacancy is low in the entire area, many of the retail shop spaces are currently leased to service retailers. There is a desire for goods in the area rather than service retail. Adding an anchor-sized tenant to the Primary Commercial Core, or very near to it, will help stabilize the retail shop tenants that are currently in the Core Area.

The Urban Field team discussed the two likely possibilities for anchor tenants. One could be a small independent ethnic grocery store, although most of the ethnic grocery sales are being serviced outside

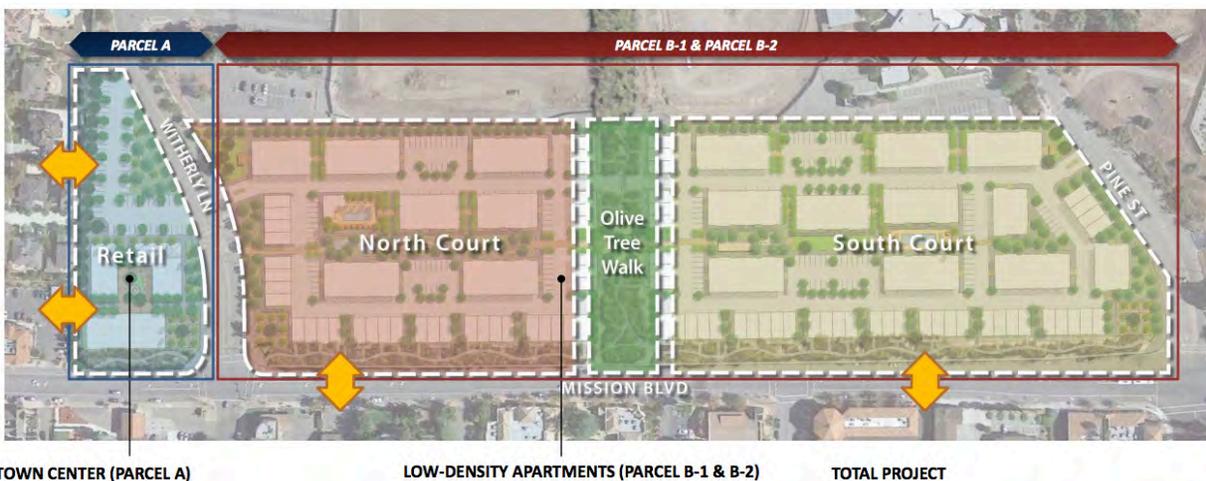


Figure 10: Ohlone College Proposal Development Concept (2018)

The City of Fremont has not formally reviewed or vetted the development proposal to date. (Source: Ohlone College website)

of the Mission San Jose area. The other possible anchor tenant could be a drug store. Because most drug stores make the majority of their income from prescriptions at the pharmacy counter, and because this area has a slightly older population, this area could be attractive for a drug store.

The team looked at all of the existing buildings in the Mission San Jose Primary Commercial Core Area, and the only one large enough for a pharmacy is the Mclvor's building at 43341 Mission Boulevard (14,324 sq. ft.). It is estimated that the Mclvor's building would need the same amount of expenditure for a retrofit, as it would cost to build a new drug store building from the ground up on the Witherly parcel of Ohlone College. Outreach to possible drug stores is recommended.

Office space was also considered as part of the "commercial" component. But due to the peak travel times of office workers, the location of Mission San Jose and the existing traffic patterns, the demand for office space is considered to be negligible.

Housing Subsidizes Retail and Community Benefits

At this time in the evolution of the Bay Area, housing needs are great and land for multifamily housing is the most valuable. Creating new, viable retail centers and buildings normally requires a subsidy of some kind, since the cost to construct the retail is not supported by the amount of rental income from the retail tenants. Therefore, housing development has been subsidizing retail development in many cities around the Bay Area. Multifamily housing, similar to that proposed at Ohlone College, is profitable and not only can it economically support adjacent retail construction, but also its new residents will bring new dollars to the existing retail.

In addition, badly needed infrastructure can be obtained as off-site requirements for new multifamily housing.

Currently, streetscape improvements have no public funding. Mission Boulevard has potential to receive a grant as a "multimodal arterial corridor of significance", but secondary streets do not have that status.

Private investment is needed to enable the Mission San Jose Town Center to become more than what it is today. Multifamily housing can assist in the realization of many of these improvements.

The traffic issue on Mission Boulevard is undeniably a significant hindrance to retail success. It is true that additional trips are associated with new development and will make some additional impact on local traffic. If regional measures to reduce cut-through traffic are effective, then local traffic will remain. It is still unknown how traffic patterns will change. One thing that seems certain is that value generated by new development is likely the most effective way for improvements of any kind to be funded in Mission San Jose.

Long Term Viability of Ohlone College

Facing financial challenges, Ohlone College is under pressure to develop new sources of revenue to maintain a wide range of student programs and to attract well-qualified faculty and staff. Assuming that a land lease agreement moves forward, the proposed development project would provide the college with an on-going revenue stream that would help support academic programs, attract or retain faculty and staff, and maintain accreditation. This in turn would ensure continued contributions to the viability of the Mission San Jose commercial district by the Ohlone University community.

6. IMPLEMENTATION STRATEGIES

Strategies to positively improve Mission San Jose's commercial area (detailed in Section 5) require support.

Funding from the City is limited for improvements to the area. There is currently no funding identified for the strategies suggested. Considering Mission San Jose's location outside of the City of Fremont's priority development areas (PDAs), this area may not receive significant City funding, given its context within the City and would not be eligible nor competitive for many regional grant programs.

Potential Funding Options

- Community Fundraising: The community raises funds for individual projects. Existing community support of streetscape improvements is a good sign that there is leadership in the community and good will towards district improvements. Any level of community involvement should be cherished as a partnership with the City and the development community.
- Through private initiative, new high value housing could subsidize retail and public realm improvements. It is important to make the housing as valuable as possible to justify the cost of building community benefits. In today's real estate market in the East Bay region, vertical mixed use is not always the answer. Sometimes horizontal mixed use (retail next to residential) provides the lowest cost and highest benefits.
- Consider up-zoning as an incentive to gain community benefit contribution where and when appropriate. It is not an effective strategy everywhere or for all projects. In the current market, the incentive to up-zone does not generate enough value to build to the height that zoning allows, given current land values.
- Require community benefits like shared public parking or public realm improvements as a condition of approval for larger projects in the area.
- Self-taxation: Analyze the possibility of creating a Benefit Assessment District. Often, the price of land and the cost of construction are economic factors which need to be weighed against rental income from retail and other tenants. If the income is not sufficient to cover the costs and provide some profit over the investment period, then it will not work.
- Create a Business Improvement District (BID) for maintenance, opening hours, improvements, signage, advertising, and perhaps leasing. The BID would depend on the voluntary cooperation of the property owners and tenants in the district.
- Establish matching funds using the City's General Fund to seed district improvements. Matching fund programs have been used as an incentive in other cities to offer assistance for public improvements. This could be applied to all districts in Fremont. This funding idea often depends on the district fundraising a portion of the funds needed and then the City matching the rest.

Strategy Summary

Table 4 lists potential strategies to better position the Mission San Jose Town Center for commercial success. The first column lists the strategies. The second column lists parties who may be involved with implementing the strategy. A potential source of funding is provided in the third column. The fourth column summarizes why the strategy would contribute to commercial success in the Mission San Jose Town Center.

The cost for each strategy is difficult to pinpoint. Some strategies are based on decision-making or existing City resources that do not require further funding. Smaller scale projects, such as signage and wayfinding, may be on the order of tens of thousands of dollars. Other projects, e.g. streetscape improvements, will be on the order of tens of millions of dollars. The larger projects can be reduced in scope or phased in order to need less substantial resources to implement.

Table 4: Potential Strategies to Improve the Mission San Jose Commercial Area

Strategy	Who is involved	Funding	Why these strategies are important
Mission San Jose Primary Commercial Area Master Plan and Financing Plan	City Planning and Economic Development	City funds	A road map or grander vision for improvements will be more beneficial than piecemeal efforts.
Change zoning and policies to be more supportive of commercial uses	City Planning, Planning Commission, City Council	Does not apply - policy decision	Most land use rules in place generally allow for the type of development desired, but some do not fit the present day market.
Create a community funding partnership like a Business Improvement District	Business community	Business funded/ private	Begin to work together to address district needs with private funding.
Connect to other organizations, like ICSC and ULI	Community leaders, City, business owners, and retail/real estate experts	Minimal private funds	Guidance from experts can make the most out of funds raised by the community.
Improve development proposals through design review. Work with developers to provide community benefits as part of the design review process.	City Planning and private developer	Supported by developer fees	Buildings last a long time. The City should advocate for the highest quality development possible through design review.
Preserve existing alleyways and connections	City Planning and Code Enforcement	Does not apply - policy decision	Access through mid-block connections are crucial to the walkability and discovery of the district as a whole.
Create a signage and wayfinding plan for pedestrians and vehicles. Include funding for a study and fabrication of prototypes.	Community Organization and City	Community funds	Visiting Mission San Jose is a bit confusing. Signage can help, as can a marketing plan to unify the area with branding.
Advertise and market the Mission San Jose commercial district following a Communications Plan	Community organization	Business and community funds	Bringing in visitors from outside the area is essential for the growth of the commercial area.

Strategy	Who is involved	Funding	Why these strategies are important
Grow the events calendar/ Solicit for new events	Community organization	Self-funded by events sales	Bringing in visitors from outside the area is essential for the growth of the commercial area.
Carefully weigh the potential benefits and disadvantages of the Ohlone College proposal with community benefits	City and Ohlone College	Does not apply - policy decision	The addition of an anchor tenant will have potential benefits to the Primary Commercial Area.
Stabilize existing retail with a leasing plan	Real estate broker working with the businesses in the area	Business community funds	The intentional placement of new, growing, or struggling businesses will improve retail synergy over time.
Find a new pharmacy tenant to lease Ohlone College retail space at Mission and Witherly	Real estate broker working with Ohlone College	Ohlone College	The right anchor will draw in new customers from outside the area.
Improve Witherly Lane and Mission Boulevard intersection and add crosswalks to Mission Boulevard where proposed	City and possibly Ohlone College	Ohlone College or community funds	More safe connections across Mission Boulevard are needed to accommodate pedestrians within the district.
Support the growth of independent business through an incubator program	Non-profit partnership (like Renaissance Center for Entrepreneurship with community and City	Self-funded or grant funded	A program could apply to all districts throughout Fremont. It would help cultivate the independent businesses desired for neighborhoods, especially new restaurants.
Form a shared parking district. Provide well-identified parking areas around the Primary Commercial Area	Business community	Business community funds	Shared parking agreements will make it easier for customers to find parking and will allow new development to be built at a walkable scale.
Require an on-site public open space requirement for new and renovating developments	Community and City	Future developers	Public open spaces are an amenity to the entire district. The spaces don't have to be large to be activated.

Strategy	Who is involved	Funding	Why these strategies are important
Implement pilot streetscape improvements with paint, bollards, and temporary street furniture to make Ellsworth Street a walkable shopping street	Community and City	Community funds	Testing out the configuration of the street through temporary means is one way to test ideas and to campaign for bigger changes.
Invest in sewer and water infrastructure to attract restaurants to Ellsworth Street	Community and City	Community funds or future development funds	This strategy sets up an incentive that can attract entertainment retail to the area (like restaurants and spas) from other areas in the City.
Implement Ellsworth streetscape improvements	Community and City	Community funds through new development or fundraising	Fully design street improvements to make this street a walkable retail street, and build out.
Implement Mission Boulevard streetscape improvements	Community and City	Community funds through new development or fundraising	Fully design and build street improvements to calm traffic and improve safety.
Start a community fund for seed money or matching funds; 50/50 or 3:2 match	Community and City	Community raises funds. City matches it based on a program	Community fundraising may not be enough. City helps to fund a portion of the cost. This fund can be applied to all districts that desire it with a cap on the total spend.
Create a Benefit Assessment District or a Mello-Roos Taxation District	Business community	Business community funds	Raise funds to upgrade utilities and streetscape on Ellsworth.

7. STUDY CONCLUSIONS

Improving the Mission San Jose commercial area will take coordination and investment by the Mission San Jose community, the existing landowners and retail tenants, and the City of Fremont.

This study has found that the Mission San Jose District does not compete well with competitors around the area. In order for this to change:

- Customers need to be pulled in from outside of the area with a new anchor tenant and potentially from increased awareness of attractions.
- Cut-through traffic avoiding Highway 680 on Mission Boulevard needs to be reduced.

Addressing these changes involves different stakeholders and the City.

The City does not have a specific fund for Mission San Jose; it has a General Fund that applies to the entire city. Mission San Jose is one of five districts in the city. There are some transportation related grants to potentially address Mission Boulevard. When it comes to funding, the community needs to find alternatives to City funds.

To leverage the potential that individual developers can make to the area, the community should organize to make sure that desired improvements are provided. Business owners may be compelled to invest in their community voluntarily or may be open to establishing a Business Assessment District to fulfill the need. Strengthening the Chamber of Commerce and creating a Business Improvement District (BID) are both suggested as first steps.

A strong plan for physical improvements should be created to guide future

improvements. A financing plan needs to be a part of the process so that it is clear how individuals can contribute to making the vision a reality.

Physical improvements by private developers are most likely on Ellsworth Street, where there are some undeveloped parcels. If developed with a retail driven design approach, these projects also could improve the commercial environment in the Town Center. New development in the area can have a positive impact and provide some improvements for the community's benefit. The development of high quality, retail projects on Ellsworth Street would establish the Primary Commercial Area as a more coherent retail district.

It is anticipated that community-led efforts will take time for results to be visible. And, it is possible that the market upside for improvements is limited.

The biggest proposed development for the area is at Ohlone College. Approval of Ohlone College's proposal is a significant short-term move that would require minimal City Funds and could yield visible results for the commercial area through the creation of a new anchor tenant space and improvements



Looking north on Ellsworth Street at Anza

to Mission Boulevard. In considering Ohlone College's proposal, the City should weigh the benefits against disadvantages, such as:

Benefits to Allowing the Ohlone College Proposal to go forward:

- From a commercial perspective, this opportunity for a new anchor tenant to attract new customers from outside the area benefits adjacent businesses
- This project will add some additional customers customer that live near the Primary Commercial Area
- The project could provide improvements on Mission Boulevard at Witherly and additional crosswalks as part of the project.
- Visually completes Mission Boulevard on two sides of the street leading up to the Primary Commercial Area by creating a corresponding frontage to the Old School Plaza side of the street.
- Helps Ohlone College, a major reason why people visit this neighborhood, stay viable
- Maintains and enhances the Olive Tree walkway as a more usable open space

Disadvantage of new development from this project:

- Additional traffic
- Some school impacts
- Requires a General Plan Change to allow residential uses

The likelihood of success for improving the Primary Commercial Area greatly depends on private investment. However, private investment is usually concerned with individual parts of the entire district. Improvements for the district as a whole need to be championed by leaders within the business community. While a big change is not possible without more investment, the community can at least maintain existing connections throughout the public realm and encourage individual landowners to make improvements over the long term.



Looking north along Mission Blvd at Witherly Lane, at Ohlone College, where a new anchor is proposed for the site.

APPENDIX - STRENGTHS, WEAKNESSES, OPPORTUNITIES, AND THREATS (SWOT) ANALYSIS

An analysis of Strengths, Weaknesses, Opportunities, and Threats (SWOT) was analyzed for the Mission San Jose Town Center. The following pages talk about these SWOT qualities as viewed by the workshop participants, the stakeholders, and the consulting team combined.

Strengths

- The area around Mission San Jose shown on Figure 2 as the 5 minute drive time from the intersection of Mission Boulevard and Pine Street has one of the highest average incomes in Fremont and the inner East Bay with the average household income at \$165,602 per year.
- Based on the team’s observations at the workshop and during stakeholder interviews, it appears the community has strong connections to each other, although the vocal community is not fully as diverse as the demographics indicate.
- Many local residents are tech savvy and sophisticated.
- The area is a wonderful historical destination that draws visitors from all over the state, especially fourth grade classes who study the California Missions as part of the public school curriculum.
- Mission San Jose has an eclectic character that should be of interest to outside visitors.
- There is very low commercial vacancy. Nothing showed vacant during this study.
- The area is a strong environment for educational service tenants. The synergy with other retail can be an advantage.
- Ohlone College, with their student and teacher population, bring people in from outside the area.
- The area’s landscape and streets have natural beauty and mature street trees.
- Mission San Jose has an active hiker population coming to the area for hikes starting at the Mission Peak trail.

- Other possible tourist destinations in the area include Palmdale Gardens, Dominican Sisters campus, the Abbey renovated residence, and Old School Plaza.
- Historic and unique architecture are a feature of Mission San Jose



Educational services like tutoring bring in regular visitors. The synergy with other retail can be an advantage.



Mature olive trees contribute to the character but also pose challenge for development on the Mission Boulevard frontage.

Weaknesses

- The area is very difficult to access at certain times of the day. Residents report that it can take 30 minutes for the “typical 7 minute drive”, shown in the market analysis to go through the Mission San Jose Town Center at peak traffic times. This lack of good access will prevent certain tenants from locating there if they need customers from outside of the area to support their business.
- Heavy traffic with high rate of speed on Mission Boulevard deters pedestrians from crossing the street.



Inadequate pedestrian infrastructure and access to commercial spaces.



Existing public spaces are an asset. There needs to be more of them and better connections between them.

- Linear layout of the commercial area is too long for walkability. The length should be the equivalent of three blocks of three hundred feet each in length from end to end.
- Retail spaces are not next to each other. They are spread out and therefore do not create any synergy with each other, even if excellent tenants were to locate in the Primary Commercial Core.
- The area’s older buildings are physically obsolete and not in line with today’s retailer criteria.
- Older buildings are often not to building code standards and very expensive to retrofit and upgrade. Tenants usually cannot carry the burden of upgrading the building, and the property owners often cannot get loans to do so without a tenant. (A chicken and egg scenario)
- Currently only a few of the existing retailers sell goods. Most of the retail tenants sell services that could be obtained in other parts of Fremont.
- Some of the retail buildings along the west side of Mission Boulevard are below the level of Mission Boulevard. The sloped topography across Mission makes the retail buildings not flush with the sidewalk, limiting convenient pedestrian access. This phenomenon decreases pedestrian traffic, causes limited visibility, and feels unfriendly to retail customers.
- There is not enough public parking in the correct areas to support existing and future retail establishments..
- Retail competition from Ohlone Village Shopping Center and other surrounding retail centers are detrimental to the economic success of the Town Center commercial businesses.
- New development requires Historical Architectural Review Board review and approval, which can cause delays and greater development risk.

- The presence of historic, cultural and tribal resources in the area can complicate approvals for new development in the area.
- The market area for Mission San Jose is limited due to minimal housing in the hills to the east of Mission Boulevard. . This type of market area can have the same land-mass as an area with 360 degrees of housing around it but it will only have half the population from which to draw customers.
- There is no retail presence along the Ohlone College frontage, unless the proposed development is approved.
- There is not an anchor tenant in the Town Center.

Opportunities

- There are existing customers coming to the area to whom existing retailers are not actively marketing: families focused on education, Ohlone College students, visitors to Mission Peak, and high income Asian residents. .
- A Master Plan could be developed for the Primary Commercial Core Area that would allow new development to have a retail focus.
- Possible “parallel street” development opportunities exist along Ellsworth Street. Currently there are some underused/ vacant lots where infill residential could be built. In addition, the current shopping center at Ellsworth Street and Anza Street could be expanded north along Ellsworth, creating “retail synergy” with the current tenants at the shopping center.
- There is the possibility of adding non-profit incubation retail tenants via pop-up kiosks.
- There is a market opportunity for a drug store in the area, either at the former McIvor’s Hardware Store (which would require major physical upgrades) or as



Small, local businesses support and fit the existing character



Ethnic specialty stores can cater to the diverse cultural population in the Mission San Jose area.

the anchor tenant of the Ohlone College development located on the northeast corner of Mission Boulevard and Witherly Lane.

- A strong opportunity exists to create an interface between retail along Ellsworth Street and Mission Boulevard by reorienting and embellishing exciting passageways for pedestrian traffic and shared public parking.
- There are opportunities to create new gathering places and to upgrade the streetscape with the approval of new multifamily developments in the Town Center.
- A real need exists for wayfinding signage, orienting motorists and pedestrians to retailers and parking.

- There is a branding and identity opportunity for the area using wayfinding signs and area marketing.
- Opportunities for many more events exist, which are focused on the activities already occurring in the Town Center.
- A Mello-Roos Taxation District for the purpose of utility upgrading and streetscape is an opportunity.
- The Ohlone College development proposal for housing and retail can be considered an opportunity for the commercial success of the Town Center.

Threats

- The current United States retail environment and the reduction of retail brick-and-mortar locations is a threat. The phenomenon is largely due to online sales and changing demographics.
- There is a lack of comprehensive public policies for retail-focused development in the area.
- Land pricing currently favors residential development over retail development with regards to profitable development.
- Mixed-use residential development that includes retail often designs the retail spaces incorrectly, so that the new retail spaces are very difficult to lease.
- Lack of public funding is needed for infrastructure, which is a threat to commercial success.
- Restricting future development can prevent implementation of well-planned new developments, thereby eliminating possible subsidies for needed upgrades for the area.
- The expansion of the Ohlone Village Shopping Center could attract many of the interested retail tenants away from the Mission San Jose Town Center.