



**COMMUNITY DEVELOPMENT DEPARTMENT**

# **STATE STREET ADVISORY COMMITTEE**

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**May 22, 2023**

# I. Roll Call: Committee Members

- Dave Davis, Chair (at large)
- Ken Saxon, Vice Chair (at large)
- Dianne Black (at large)
- Hillary Blackerby (at large)
- Roger Durling (at large)
- Nadra Ehrman (at large)
- Robin Elander (business)
- Peter Lewis (business)
- Kristen Miller (business)
- Susanne Tejada (at large)
- Michael Becker (alternate)
- Marge Cafarelli (alternate)
- Roxana Bonderson (Planning Commission)
- Ed Lenvik (HLC)
- Meagan Harmon (City Council)
- Mike Jordan (City Council)
- Kristen Sneddon (City Council)

# II. PRELIMINARY MATTERS

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# Preliminary Matters



- A. Opening Remarks and Announcements
- B. State Street Interim Operations Update
- C. Agenda Review
- D. Approval of the Minutes from the February 16, 2023 Meeting
- E. General Public Comment



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# How To Make An Oral Public Comment

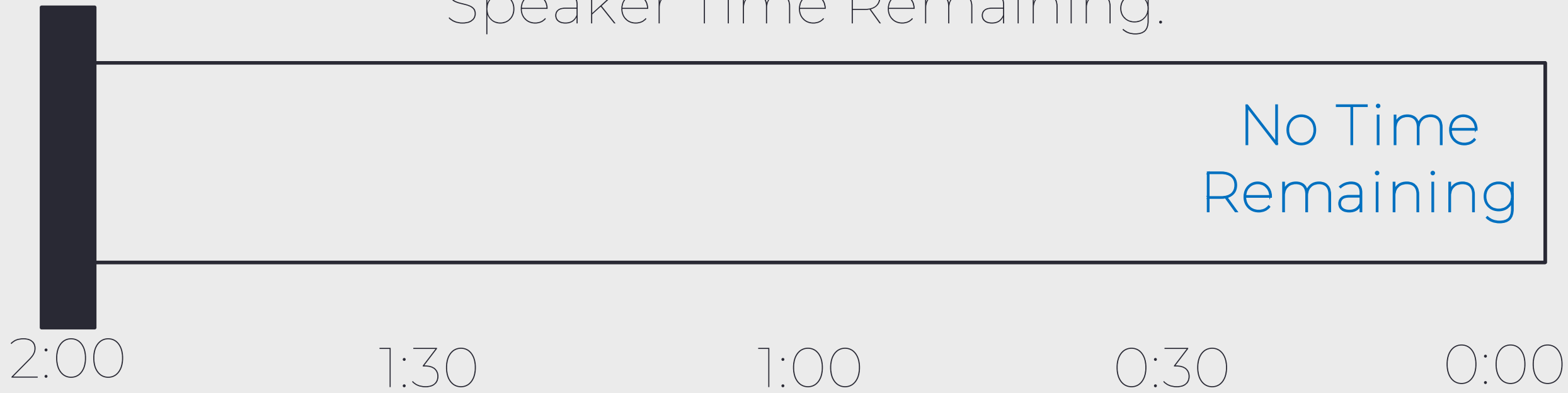
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# Item II.E

## General Public Comment

# You Have 2:00 Minutes to Speak

Speaker Time Remaining:



# III. AGENDA ITEMS

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Economic Trends and Success of Public Spaces

# Presentation Outline & Discussion

1. Dave Davis: State Street Background and History
2. Fran DeJohn: A Perspective on Downtown
3. Peter Lewis: Current Investment Environment
4. The Economics of Placemaking
5. Kristen Miller and Robin Elander: The State Street CBID Proposal
6. Discussion and Q & A





# State Street Master Plan: Economic Benefits of Creating a Great Place



**State Street Advisory Committee Meeting  
May 22, 2023**



# Nationally, Downtowns Are Changing

Many challenges were in place before the pandemic, but have accelerated since the pandemic

- Office spaces are experiencing record vacancies
- The retail industry is in flux in response to both long-term industry trends and short-term economic conditions
- Big metro areas are experiencing a “brain drain” of educated workers



[Source: Street Sense, 2023.](#)

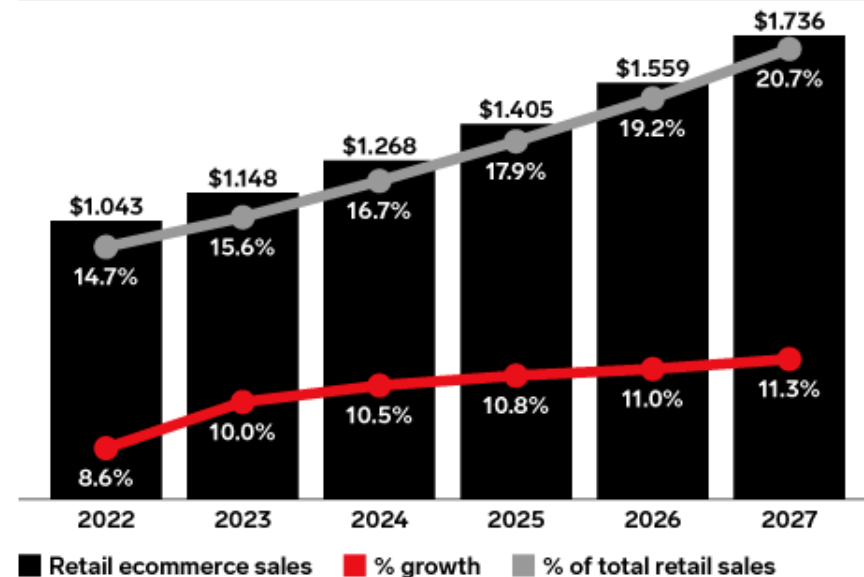


# A Key Retail Trend is Ecommerce

Internet sales are growing, but brick and mortar remains essential

## US Retail Ecommerce Sales, 2022-2027

trillions, % growth, and % of total retail sales



Note: includes products or services ordered using the internet, regardless of the method of payment or fulfillment; excludes travel and event tickets, payments such as bill pay, taxes, or money transfers, restaurant sales, food services and drinking place sales, gambling and other vice goods sales.

Source: eMarketer, Feb 2023

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eMarketer | InsiderIntelligence.com

Source: Insider Intelligence, 2023.

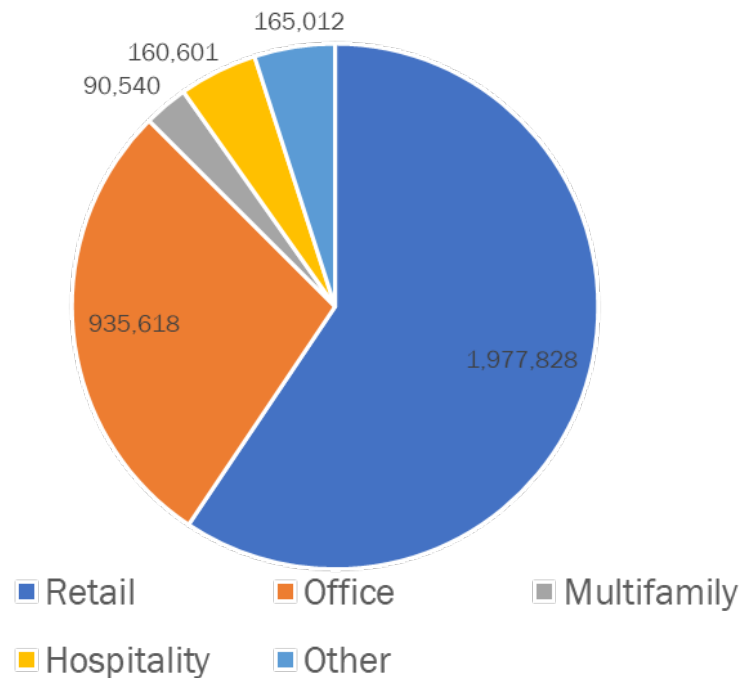




# State Street is Santa Barbara's Downtown and a Key Economic Asset for the City and the Region

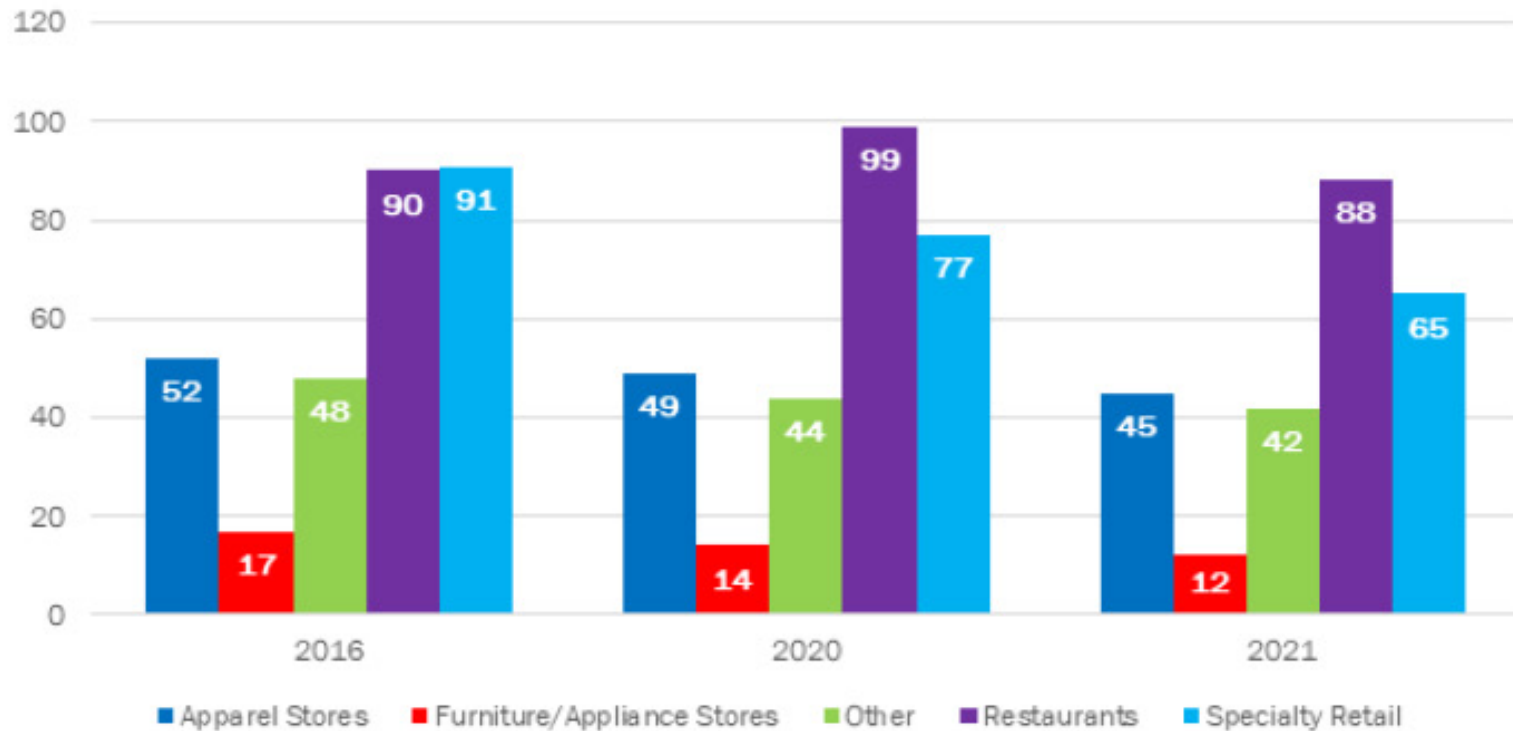
The Street's historic buildings and mixed-use character make this a unique place.

Total State Street Study Area Square Feet



# State Street's Changing Retail Mix

**FIGURE 7. NUMBER OF RETAIL ESTABLISHMENTS IN STATE STREET STUDY AREA INVENTORY**



Source: CDTFA, 2022; Strategic Economics, 2023.





# Given These Changes, What is Making Downtowns Successful?

## People and Great Places Where People Want to Be



Friendsgiving Block Party, 2022.



# Great Places Have Great Economic Value

Defining Great Places:

- Placemaking creates public spaces and cultural activities
- Placekeeping honors the history and unique culture of a place, highlighting its existing assets





# What Makes a Great Place?

**Good Places are**

**Well-Designed**

**offering visual interest such as natural features, historic and cultural elements, artistic installations, etc., and**

**Well-Programmed**

**offering a range of activities, music, performances of various types, both formal and informal, providing fun for all ages, and**

**Well-Managed**

**and well cared for, clean and safe!**



# What Are the Economic Benefits of Place / “Placemaking”?

Every public \$1 leverages \$10-\$15 in private investment

Public investment creates greater certainty and decreases perceived risk

[https://www.google.com/search?q=ratio+of+public+to+private+investments+in+downtowns&rlz=1C1GCEU\\_enUS1013US1013&oq=ratio+of+public+to+private+investments+in+downtowns&aqs=chrome..69i57j33i160.18703j0j15&sourceid=chrome&ie=UTF-8](https://www.google.com/search?q=ratio+of+public+to+private+investments+in+downtowns&rlz=1C1GCEU_enUS1013US1013&oq=ratio+of+public+to+private+investments+in+downtowns&aqs=chrome..69i57j33i160.18703j0j15&sourceid=chrome&ie=UTF-8)





# Downtown Boulder, Colorado: Pearl Street

What customers say about Pearl Street:

- **“highly desirable”**
- **“sense of place”** and **“overall atmosphere”** are its best attributes





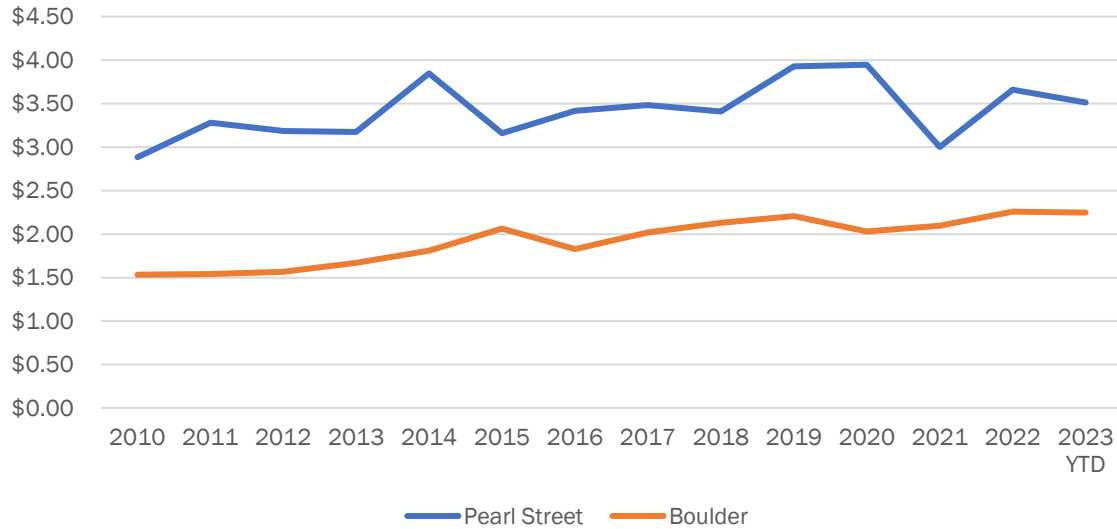
# The Tools Boulder Has Used to Improve Pearl Street

- Mall assessment district
- Business improvement district
- General fund revenues
- Federal grants and block grant money

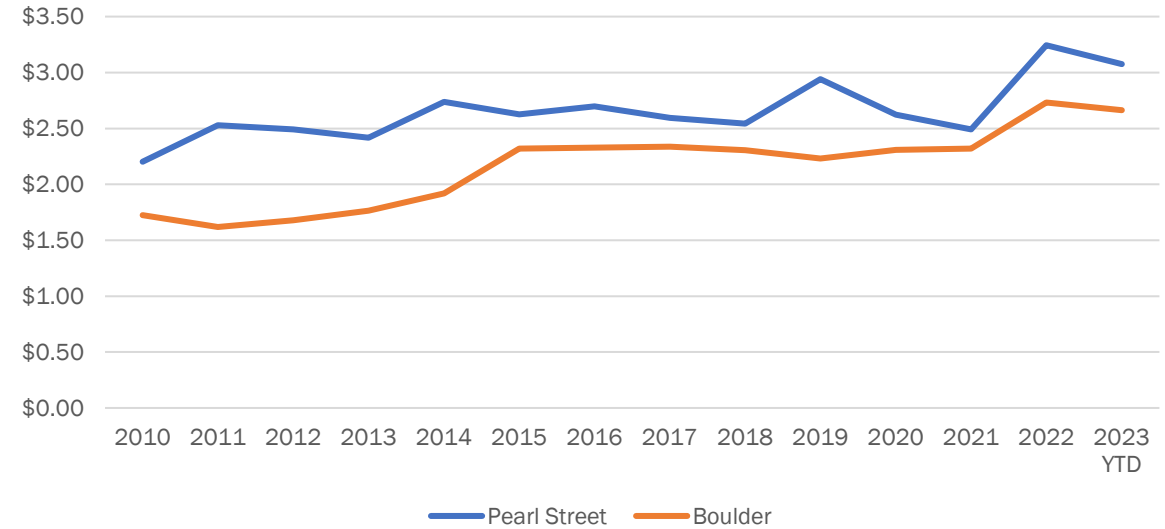


# Measuring Pearl Street's Success

Retail Rent, NNN, Monthly, Per Square Foot



Office Rent Per Square Foot, Monthly



Source: CoStar, 2023. Strategic Economics, 2023.

Pearl Street contributes an estimated \$4M in annual in sales tax revenue, further evidence of strong sales, along with the rent premium



# Downtown Greenville, South Carolina

- Over 100 restaurants in the 10-block downtown area, largest concentration in South Carolina
- 25 percent of downtown residents live on the main street
- 320 special events hosted in downtown per year
- Extensive network of public plazas, parks, and trails
- Wide sidewalks and special bike parking





# Downtown Greenville, South Carolina

Placemaking public investments are estimated to have generated \$631M in private real estate investment in 2020 alone



# Greenville's Tool Kit

- Tax increment financing
- Partnerships with anchor institutions (hospitals, major employers, etc.)
- Major focus on public spaces and place making

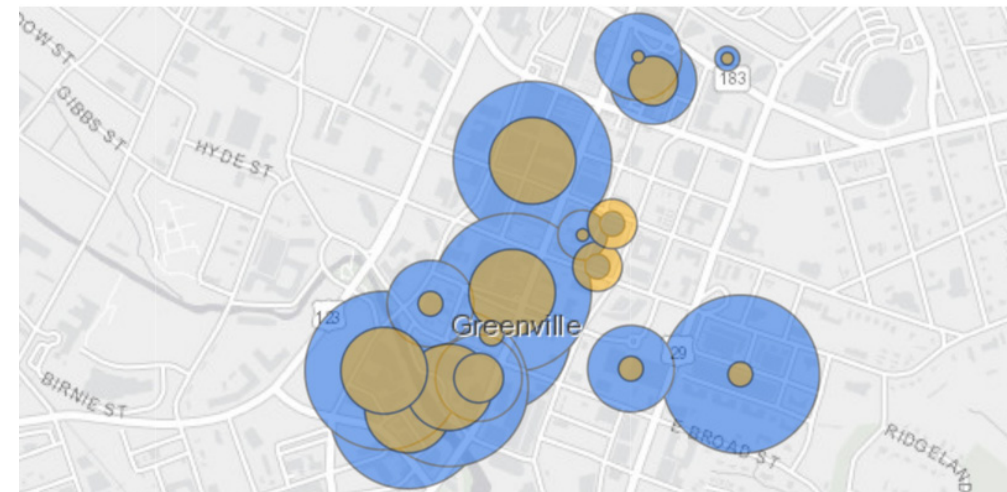
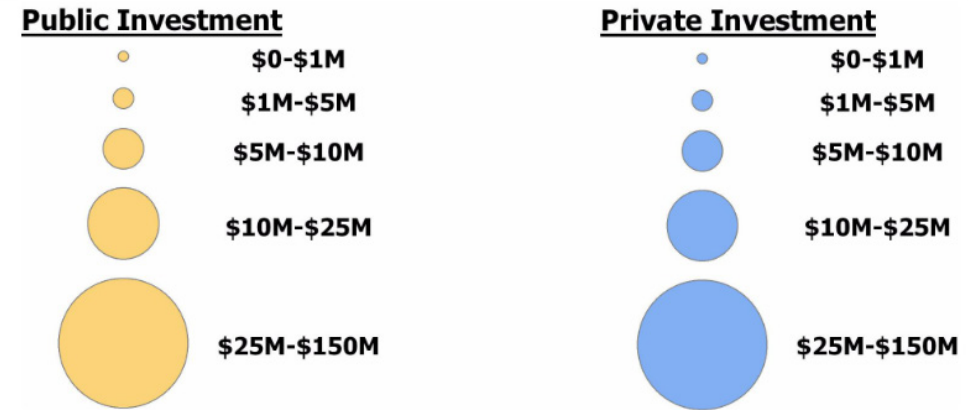




# Measuring Greenville's Success

- Placemaking public investments are estimated to have generated \$631 million in private real estate investment in 2020 alone
- Small businesses and major employers are returning downtown

## Greenville Downtown Return on Investment

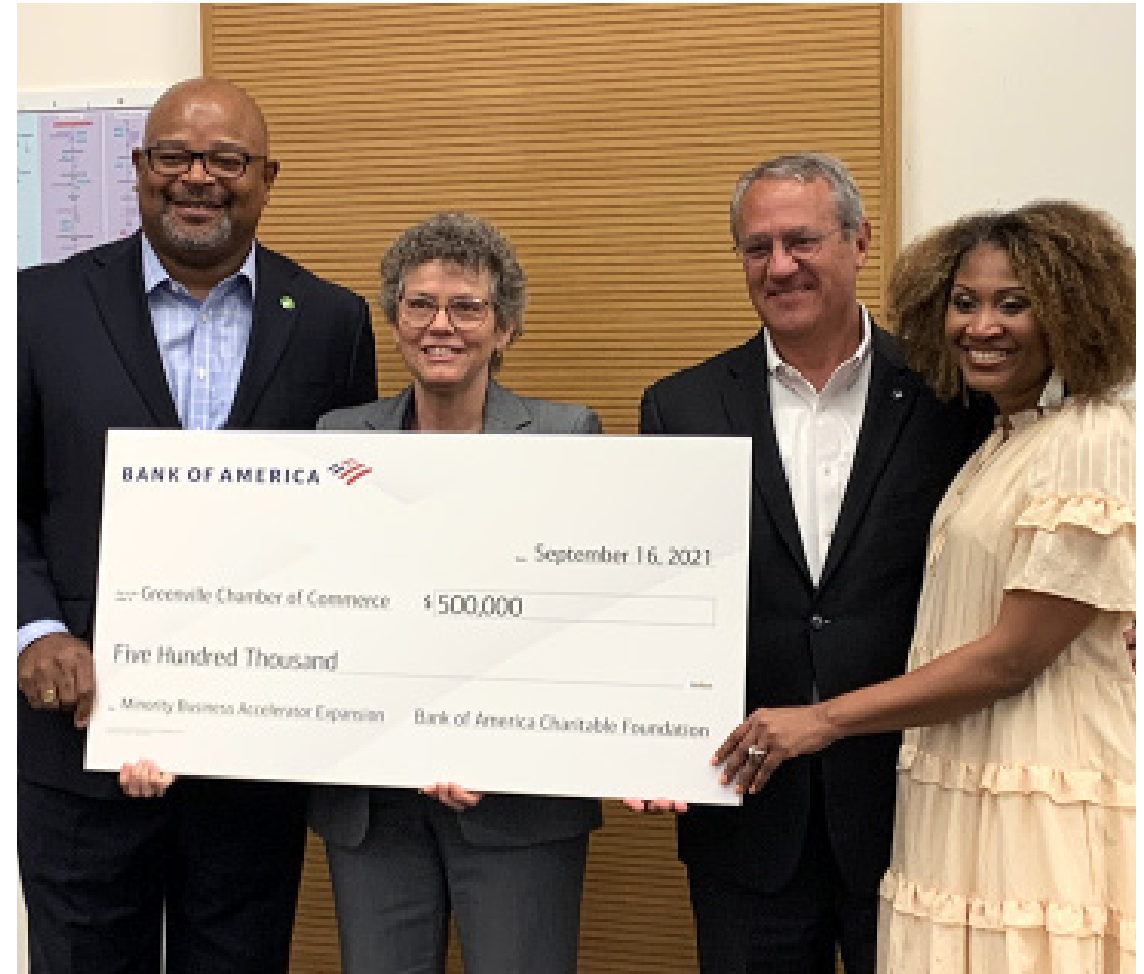


Source: City of Greenville



# Greenville Has Also Created a Minority Business Accelerator Program To Help Populate Downtown

- Funded through a grant from Bank of America
- Two-pronged strategy
  - Business readiness/coaching
  - Corporate procurement from minority owned businesses
- 2023 participants include a salon, bakery, and winery



# Dania Point – New Mixed-Use Community Near Fort Lauderdale, FL Focused on Being a “Great Place”

## Dania Point Features:

- 600 apartments
- 500,000 sq ft office space
- 400,000 sq ft retail space
- Wide sidewalks and narrow streets
- Parks





# Measuring Dania Point's Success

Dania Point Real Estate is Outperforming Its Market Area

Dania Point Use	Percentage Dania Point Rents are Above Market Average
Multi-family	38%
Office	9%
Retail	6%



# Fargo, North Dakota? Youbetcha!

As of 2021 Downtown:

- Added 1,000 new housing units in five years, 600 additional units under construction
- 5,000 residents
- 18,000 employees
- 45 retailers
- 41 restaurants
- 22 bars and breweries
- 10 coffee shops





# Programs and Incentives That Have Paid Off

- Zoning for mixed-use
- Building a new park
- North Dakota Renaissance Zone to offer incentives for historic building reinvestments and attract homeowners
- BID
- Tax increment financing



# Success? Youbetcha!

- Added \$349 million in additional value over 20 years
- Increase was twice the rate of inflation
- Faster than the increase in the City's housing market overall





# Downtown Napa, a Place That Was Not Always Great

- 1961-1997 19 floods caused more than \$542 million in residential property damage alone
- \$550 million flood control project solved the flooding issue
- Emphasis on natural and green spaces
- The River is now Downtown's "center piece"

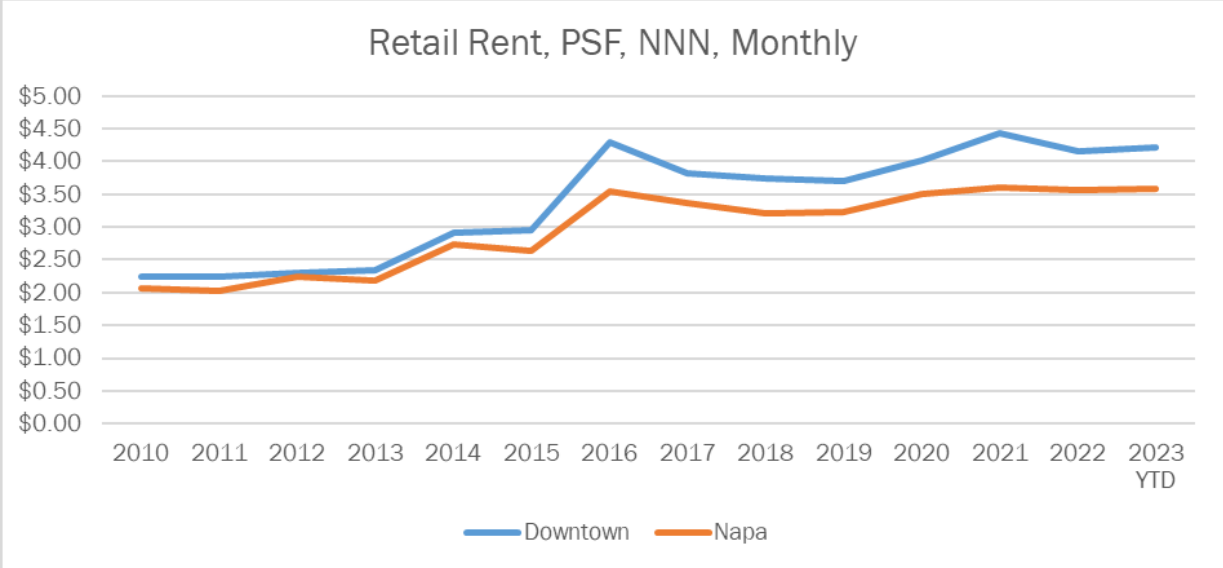
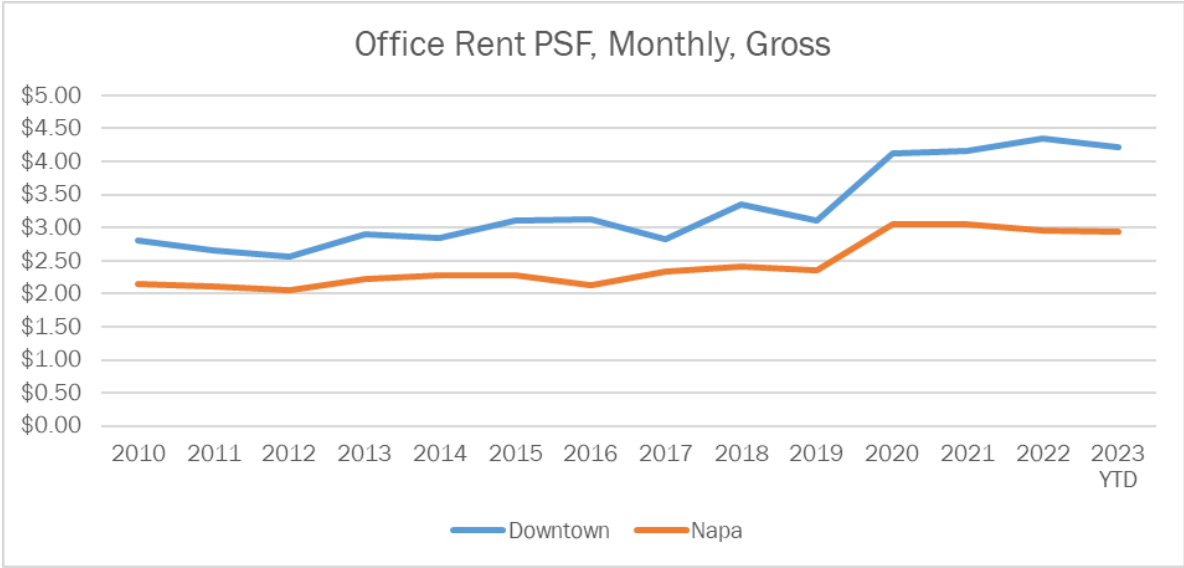


# What's the Payoff?

- City has adequate revenue in its General Fund to continue investing in Downtown
- Over 1,000 new jobs
- Over \$1 billion in private real estate investment



# Downtown Napa Real Estate Trends





# Downtown Hemisfair, San Antonio

Public improvements include:

- 3 streets (curbless)
- Yanaguana Garden & Playground
- Over 425 annual events
- Annual visitation rate of over 600,000 people
- 84% of users from the City of San Antonio





# Measuring Hemisfair's Success

Every **\$1** of public investment catalyzed **\$7 of P3 development** including, housing, hotels, retail & adaptive reuse

- First 2 years: Helped catalyze 11 new local businesses, including six small and minority-owned businesses onsite and over 150 residential units





# Bryant Park, New York City

- Managed by a non-profit
- Heavily maintained and programed by this entity
- Significant economic impact on surrounding properties
- A study of 12 buildings surrounding Bryant Park conducted in 2012 found:
  - 3.8 percent vacancy, compared to Midtown's vacancy rate of 11.5 percent
  - Office rents around the park were \$78.29 per square foot, compared to Midtown office rents of \$63.40 per square foot



# Arts and Culture Are Also Helping Downtowns

In the U.S. arts and cultural economic activity accounted for 4.4 percent of gross domestic product (GDP), or \$1.02 trillion, in 2021

State Street Helps!

- Five theaters
- Nine museums
- 88 restaurants
- 250 hotel rooms

<https://www.bea.gov/data/special-topics/arts-and-culture#:~:text=Arts%20and%20cultural%20economic%20activity%20accounted%20for%204.4%20percent%20of,or%20%241.02%20trillion%2C%20in%202021.>





# Economic value of culture and the arts in Santa Barbara County

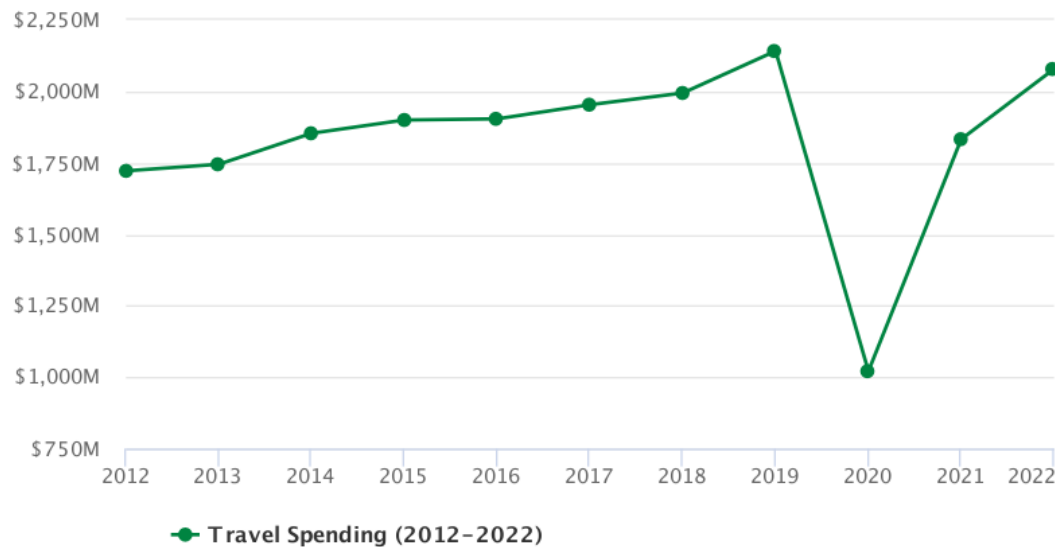
- The *non-profit* arts and culture sector alone has been estimated to contribute over \$200M to the Santa Barbara County economy annually
- An estimated \$73M was spent in Santa Barbara County by audiences to cultural events in 2015, majority of which was on food and beverage in the communities hosting events



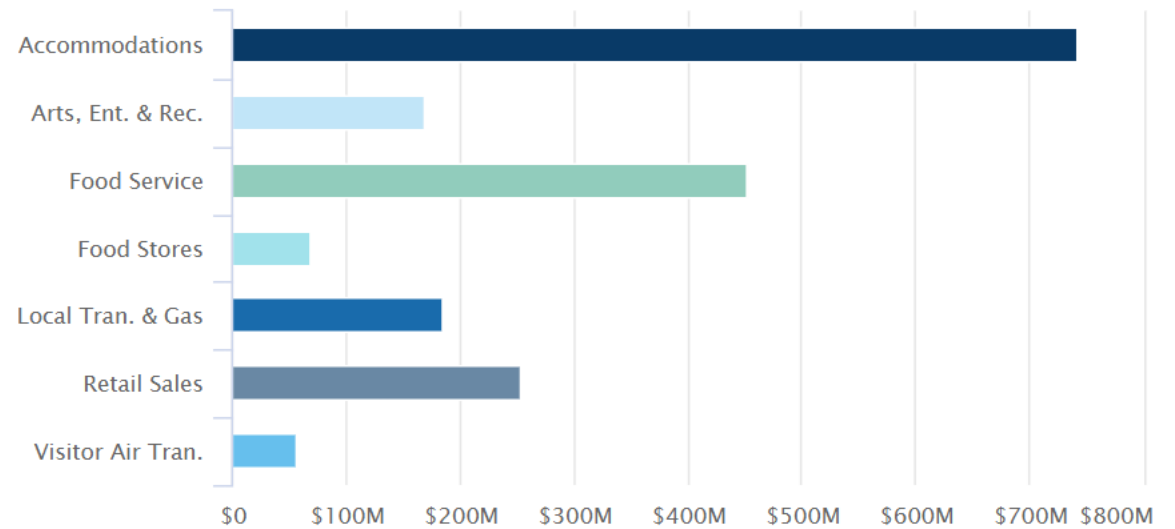
# Tourism is Also Helping Downtowns

\$2.1 B in tourism spending in Santa Barbara County occurred in 2022, demonstrating a surge back to 2019 levels which had seen a steady increase in spending over time prior to 2020

**SANTA BARBARA HISTORY OF TRAVEL SPENDING IN CALIFORNIA**



**SANTA BARBARA TRAVEL SPENDING BY INDUSTRY SEGMENT**



Source: Visit California, 2023.  
Note: Data is for Santa Barbara County in 2022.



# Housing is Critical to a Healthy Downtown

Downtown residents support the street level businesses once supported by workers

## 8 new housing projects approved in Berkeley in 2020

Berkeley’s zoning board has approved eight medium-to-large housing projects around the city in 2020 totalling 560 units. See the roundup.

By Emilie Raguso  
July 24, 2020, 1:12 p.m.



A rendering of 2590 Bancroft Way, Berkeley. Image: Trachtenberg Architects





# Los Angeles Arts District is Thriving Due to Housing

Pipeline projects as of 2/2023

- Multi-family 4,357 units
- Office 2.5 million square feet
- Retail approx. 60,000 square feet

Mix of new construction and adaptive reuse



<https://labusinessjournal.com/featured/l-a-rising-arts-district/>



# What Does This Mean for Santa Barbara?

## **Downtown has a strong foundation for becoming a resilient, vibrant neighborhood to live, work and play**

- Unique, historic character
- Pedestrian scale urban fabric
- Good bike and transit connections
- Vibrant arts and culture destinations
- Great place with potential for adaptive reuse
- Emerging mix of retail and food
- Tourism



# Priorities for the Future of Downtown

## **Make a place for all Santa Barbarans**

- Increase housing supply and affordability
- Support families
- Create a business incubator or other small business support program

## **Make it accessible for all**

- Increase connectivity for pedestrians and bikes
- Ensure universal accessibility for all users

## **Celebrate the Culture and History of Santa Barbara**

- Foster partnerships (museums, library, theatres)
- Honor historic legacy with all new investments (design, materials, quality)

## **Make it Fun!**

- Create space for public life and programming
- Establish entity to manage and program the public realm





**By prioritizing people and activity, State Street can become the heart of a new urban neighborhood and transform downtown into a great place to live, work and play.**





**What if State Street was where  
you discovered your favorite  
food?**





A vibrant photograph of children playing in a water fountain at a park. In the center, a young girl with a floral headband and a colorful floral dress is smiling and reaching out. To her left, another girl in a blue dress is also playing. To the right, a girl in a pink and blue tiered skirt is visible. In the background, other children and adults are present, including a man in a black shirt and a woman in a striped shirt. The scene is filled with water splashes and a bright, sunny atmosphere.

**What if State Street was your favorite place for a play date?**





# What if State Street brought you back to the office?







**What is State Street is where  
you celebrate your anniversary?**







# What if State Street was where you encounter art?







# What if State Street was where your kids can bike?



# What if State Street was part of everyday life?









...and Citywide celebrations?





# DISCUSSION

# How To Make An Oral Public Comment

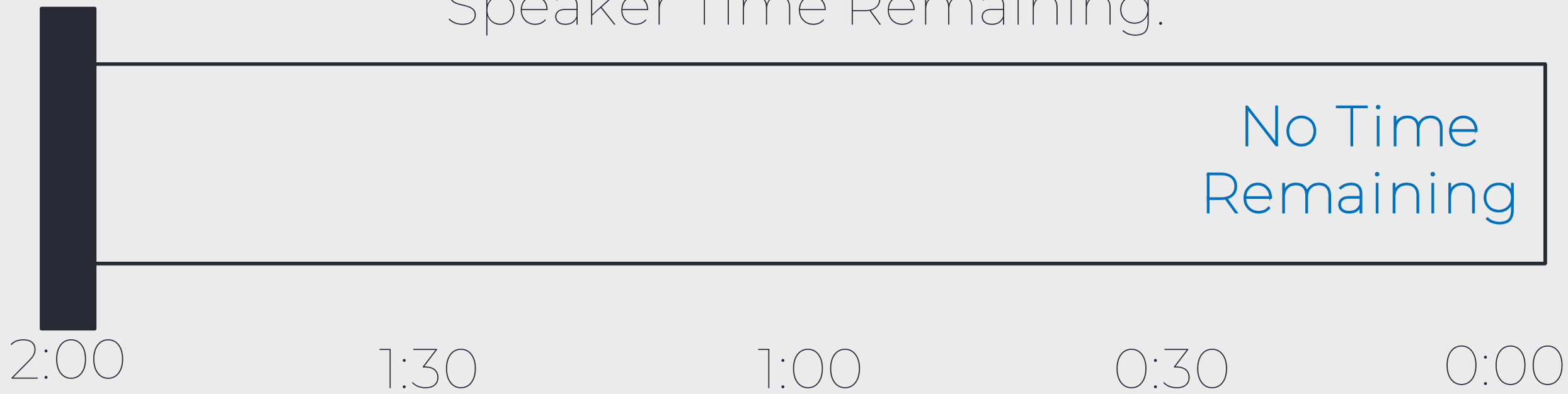
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# Item III.A

## Urban Design Framework & Input for Designs

### You Have 2:00 Minutes to Speak

Speaker Time Remaining:





# IV. ADJOURNMENT

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