

APPENDICES

SEPTEMBER 1, 2026





CONTENTS

APPENDIX A	MOULE AND POLYZOIDES REPORT – STATE STREET MASTER PLAN SUMMARY
APPENDIX B	LANDSCAPE TECHNICAL REPORT
APPENDIX C	TRANSPORTATION TECHNICAL REPORT
APPENDIX D	CIVIL ENGINEERING TECHNICAL REPORT
APPENDIX E	STORMWATER RETENTION ALTERNATIVES ANALYSIS
APPENDIX F	RETAIL TECHNICAL REPORT
APPENDIX G	ECONOMIC ANALYSIS
APPENDIX H	SALES TAX INFORMATION
APPENDIX I	RELATED PLANS AND POLICIES

SANTA BARBARA STATE STREET MASTER PLAN

PREPARED FOR THE CITY OF SANTA BARBARA



PROCESS | History



1867



1930s



1950s



1905



1970s

PROCESS | State Street Sub-Districts

1. Arts District	2. Civic District	3. Entertainment District
This district is the city’s hub for artists studios, galleries and theatres that offer visual and performing arts. • Galleries • Artist Spaces • The Granada Theatre (1924) • Arlington Theatre (1930) • Santa Barbara Museum of Art (1941)	At the heart of downtown, the district blends historic architecture with cultural and civic life. • Casa de la Guerra (1828) • Oreña Adobe • Plaza de la Guerra • Santa Barbara City Hall • Santa Barbara News-Press • The Balboa Building (1924) • Paseo Nuevo	This district offers a wide variety of activities, including restaurants, bars, wine tasting, and special events. • Small-scale shops • Ample dining • Breweries • Bars • Hotel Santa Barbara (1876)



Retail Area	202,320 sf	384,360 sf	204,120 sf	= 790,800 sf TOTAL
Parking Stalls	1,367 parking	1,617 parking	1,008 parking	= 4,000 parking stalls TOTAL



PROCESS | Analysis of Existing Conditions

Downtown Santa Barbara is one of the most distinguished historic settings in California and the United States. At its heart, State Street has served for more than 110 years as the city’s commercial and pedestrian core, embodying the conditions of a prosperous Main Street. Supported by substantial public and private investment, it remains the economic and symbolic center of the city.

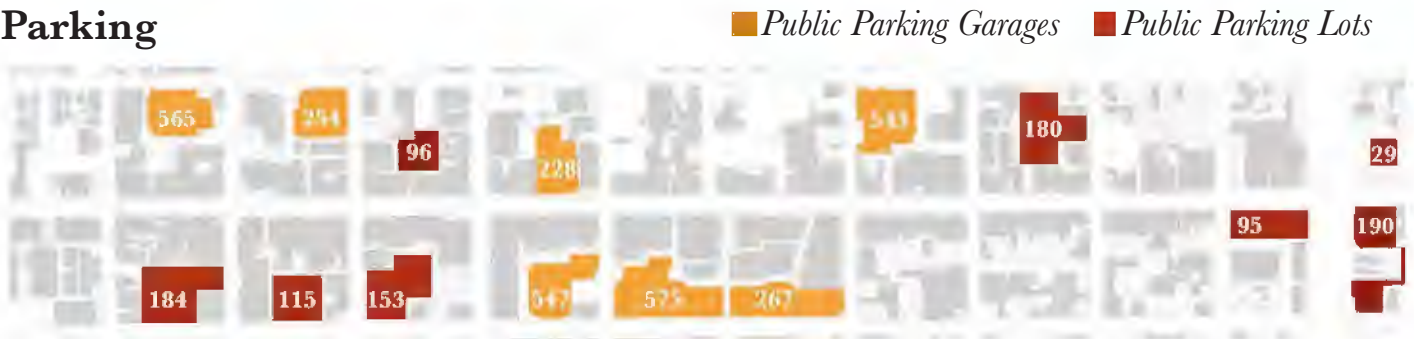
Land Use



Civic & Landmark Buildings



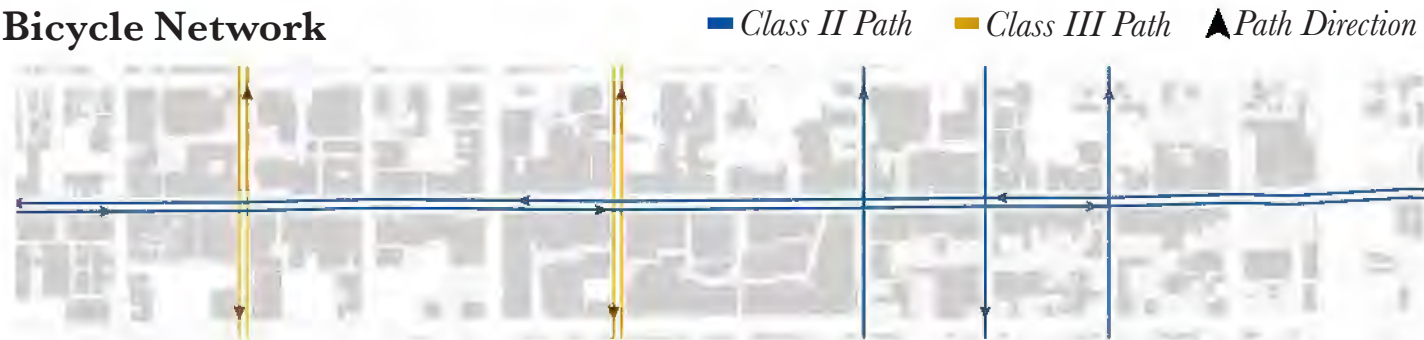
Parking



Building Service Access



Bicycle Network



Public Transit



Open Space & Streetscape



1. Mobility & Transportation



- Observations:**
- The volume of bicycle traffic is high;
 - The loose apportionment of modes on the street favors commuting over recreational biking;
 - Access times for public safety, service, and construction vehicles is unclear;
 - The presence of the electric cart transit pilot program is diminished in the current visual confusion of the street;
 - Access to parking lacks sufficient signage.

Conclusion: State Street could function as a flexible, multi-modal thoroughfare that prioritizes pedestrian and bicyclist safety while accommodating emergency access 24/7 and service at designated times of day.

2. Paving and Drainage



- Observations:**
- State Street has experienced flooding during recent winter rains;
 - Drainage is unevenly addressed by infrastructure patched together over many decades;
 - The roadway was designed for vehicles creating conflicts for the bicycle and pedestrian-focused uses it now accommodates.;
 - Sidewalk paving is relatively uniform throughout the corridor and is worn in many locations;
 - Development on State Street must address stormwater retention requirements that present design challenges for new projects.

Conclusion: The redesign of State Street must address its drainage challenges and support the continued development of projects along the corridor.

3. Retail



- Observations:**
- Visible empty storefronts hurt vibrancy and consumer confidence;
 - Rents have fallen from past highs, and design uncertainty discourages new tenants and investment.;
 - Sales volume is stable but flat, and suburban centers are prospering;
 - The appearance of the street is patched and uneven;
 - The one-way couplet of Chapala and Anacapa St. frustrates retail access.

Conclusion: The quality of public space on State Street could be rebalanced, with retail as a strong component creating a well-managed and distinctive downtown destination.

4. Landscape



- Observations:**
- The existing streetscape is worn and in need more robust maintenance;
 - Irregular planting creates the impression of a fragmented streetscape;
 - Irregular, low, or raised planting disrupts pedestrian continuity;
 - Numerous specimen trees require conservation;
 - The streetscape is uniform and stresses the continuity of the street instead of its various districts.

Conclusion: The streetscape could be largely preserved and selectively modified to support the distinct character of the various State Street districts.

FLEXIBLE DESIGN | *Design Principles for a Flexible Street*

A new flexible street design can reconcile conflicting community issues around mobility and use, while also creating a place that is useful, beautiful, and enjoyable for all local stakeholders, and as well as visitors.

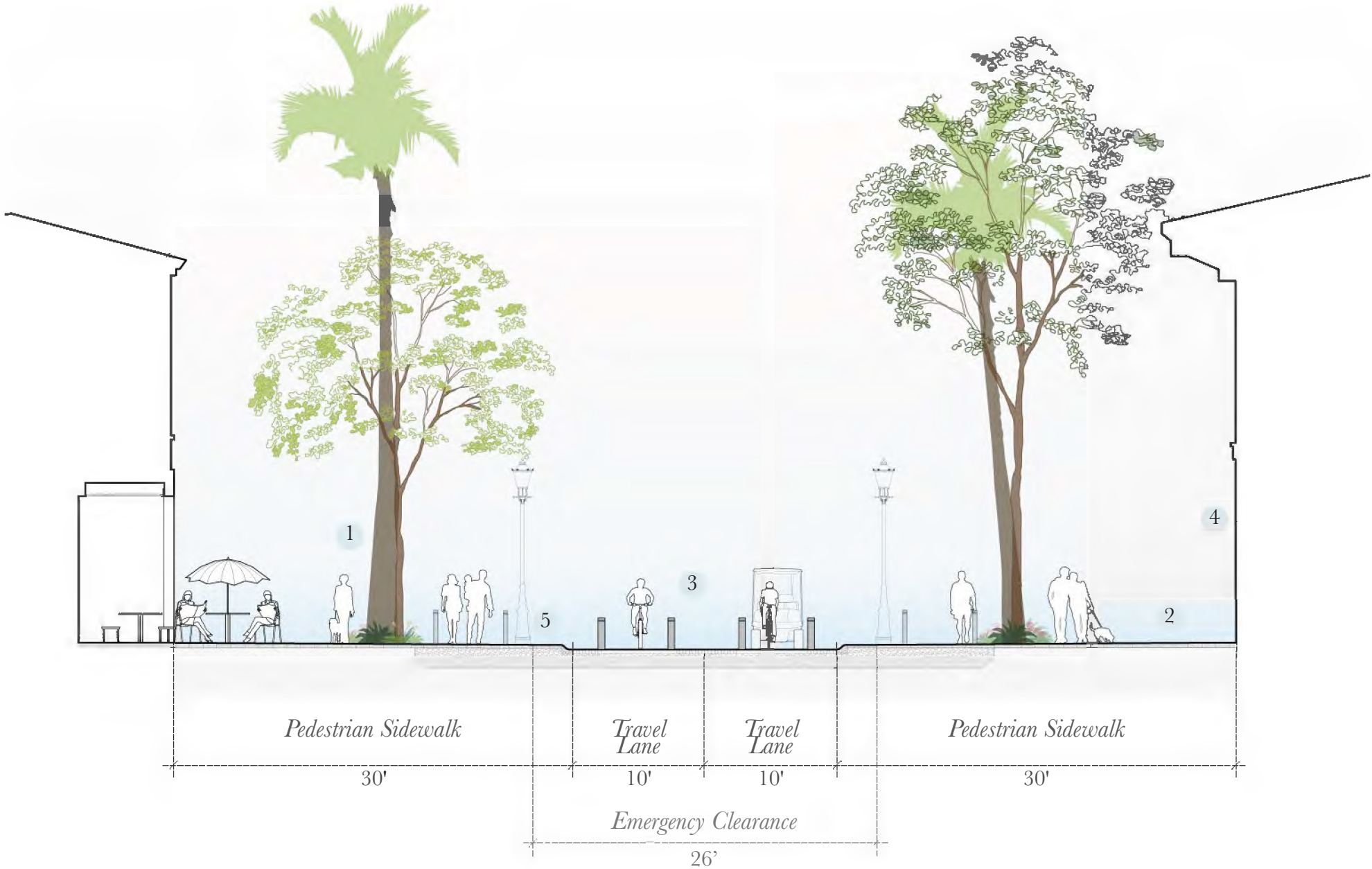
The key principles for this design are:

- 1. Clear access schedule
- 2. Method of operation
- 3. Pedestrian, cyclist, and transit phase
- 4. Business and service phase
- 5. Reduced traffic conflicts
- 6. Event ready infrastructure

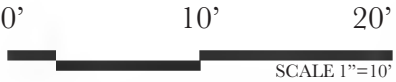


Daytime Operations: pedestrians, bicyclists, transit, and emergency vehicles.

- 1. Ample sidewalks
- 2. Pedestrian safety
- 3. Bicyclists and transit circulation
- 4. Positive street frontages
- 5. Emergency access

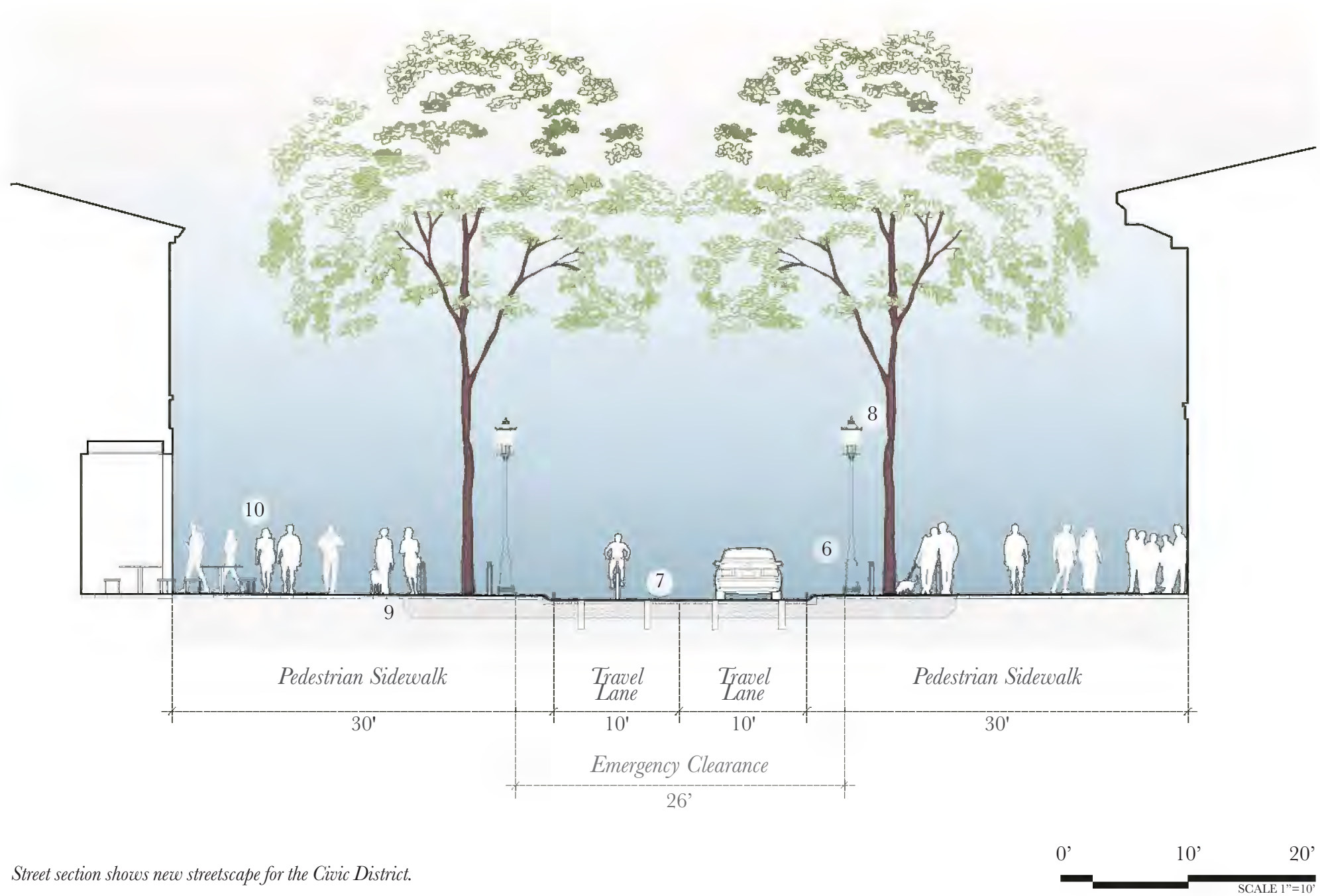


Street section shows existing streetscape for the Arts and Entertainment Districts.



Nighttime Operations: service vehicles, vehicle traffic, bicyclists, and emergency vehicles.

- 6. Service and drop-off
- 7. Slow speeds
- 8. Lighting
- 9. Storm water drainage
- 10. Evening and special events



STATE STREET MASTER PLAN | *Street Zoning*

Sidewalks along State Street are 30’ in width, creating a generous pedestrian zone that accommodates street trees, lighting, outdoor dining, and street furniture while maintaining a clear and accessible path for pedestrian circulation. This ample space supports lively commercial and community-oriented activity.



**Frontage Zone dimensions may vary to accommodate outdoor seating. The recommended outdoor seating depth is 12’ from the building front.*

***Furnishing and Through Zone dimensions may vary to accommodate existing trees.*



FLEXIBLE DESIGN | *Retractable Bollards*

Retractable bollards, installed at each intersection along State Street, provide a dependable system to safely close streets to vehicular traffic temporarily, and as programmed or needed. They function to:

- 1. Protect pedestrians and all state street users
- 2. Encourage flexible community use
- 3. Maintain emergency access
- 4. Support increased transit access
- 5. Support deliveries and services needs



STATE STREET MASTER PLAN | Accommodating Public Uses

1. Walking



2. Dining



3. Biking



4. Visiting



5. Playing



6. Going to Festivals



7. Listening to Music



8. Attending the Theatre



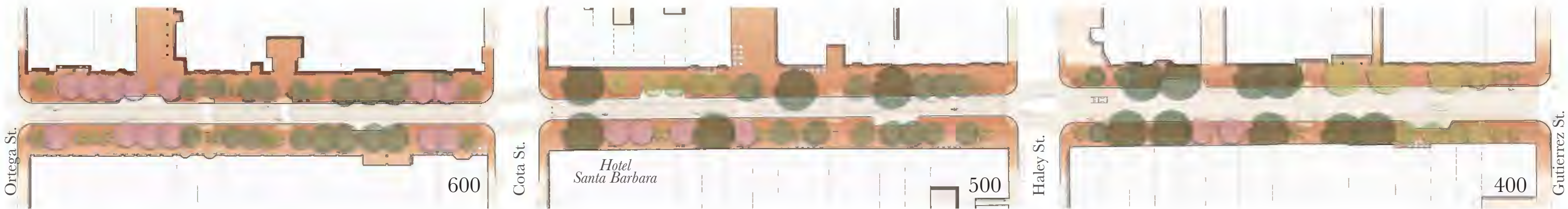
9. Street Vending



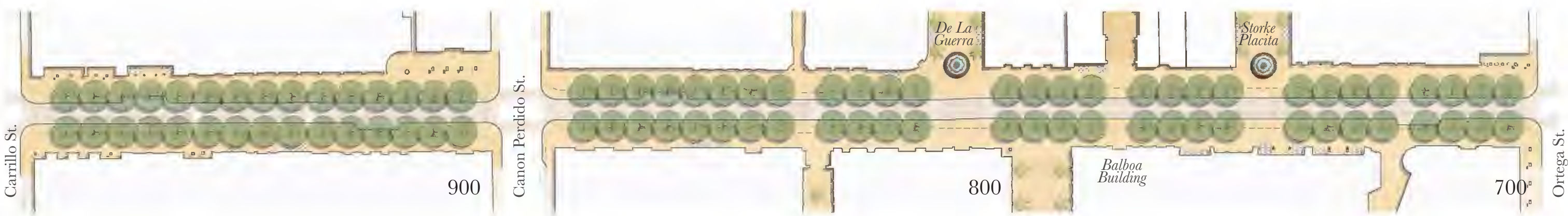
10. Enjoying Art



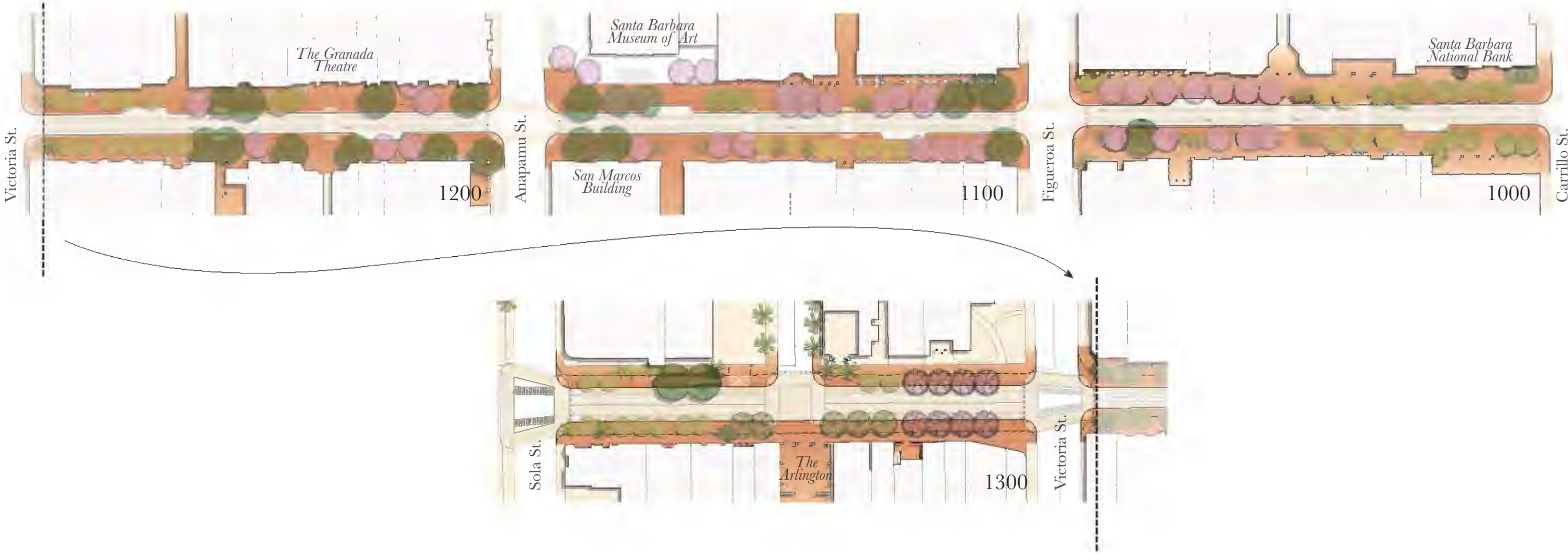
Entertainment District



Civic District



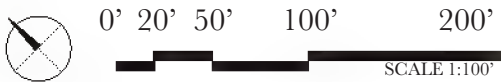
Arts District



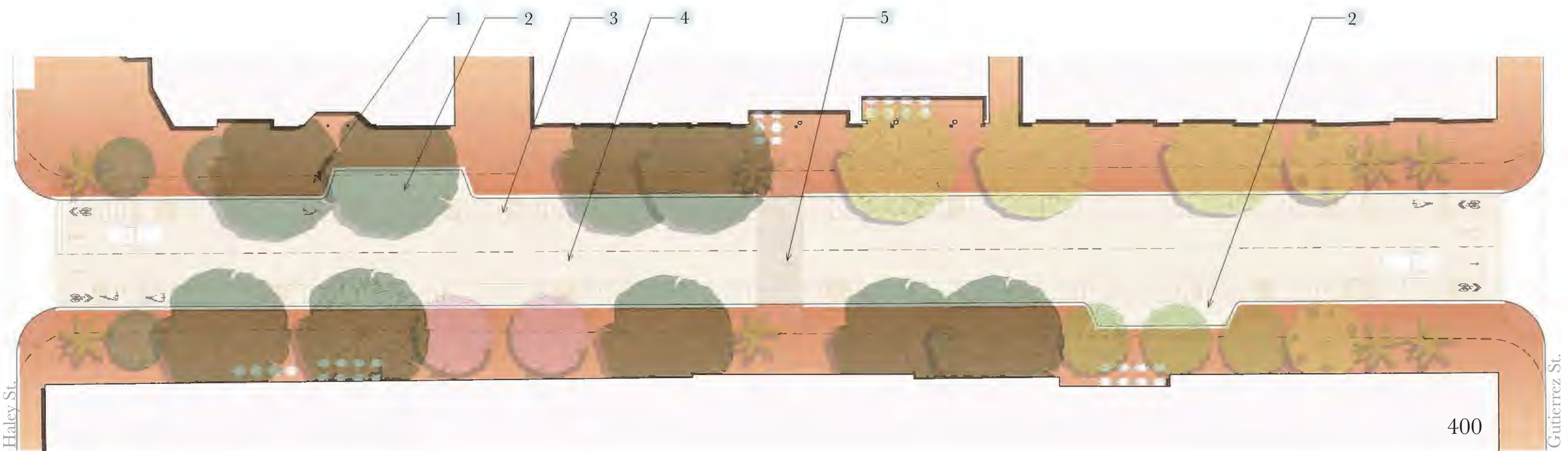


- 1 B-Cycle station
- 2 Designated transit stops
- 3 Retractable bollards
- 4 Designated drop-off zones
- 5 400 Block: Two-way travel lanes (10')
- 6 400 Block: Two-way bike lanes (7')
- 7 Opportunities for more landscape design

--- Existing curb line



STATE STREET MASTER PLAN | *Entertainment District - Block Plan*

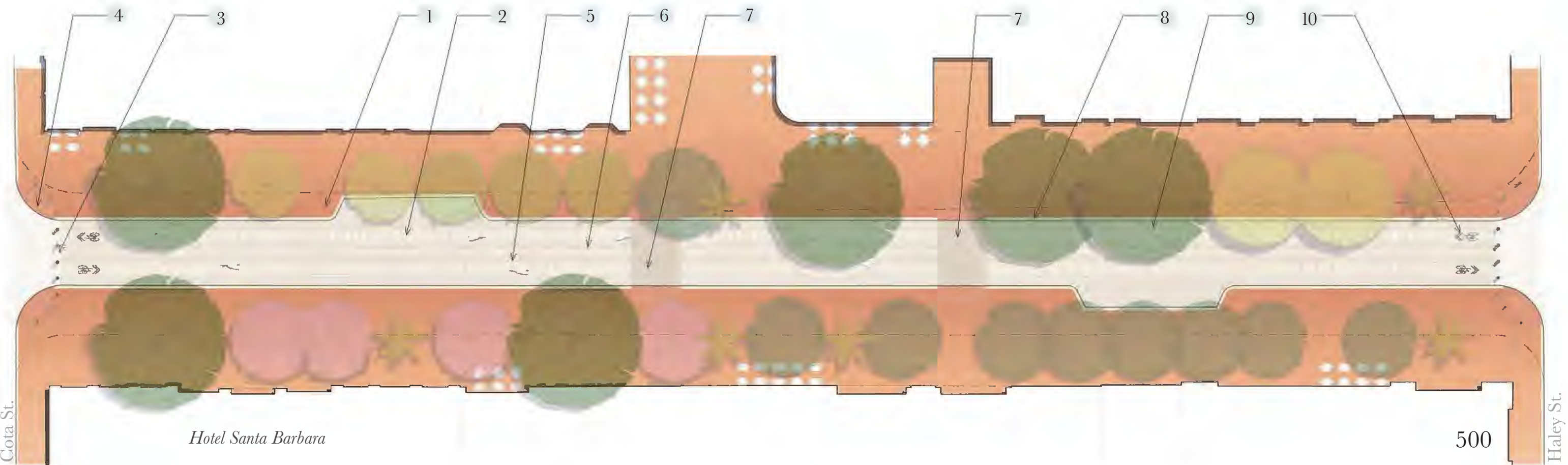


- 1 B-Cycle station
- 2 Designated transit stops
- 3 7' Bike Lanes
- 4 10' Travel Lanes
- 5 ADA accessible mid-block crosswalk

--- Existing curb line



STATE STREET MASTER PLAN | Entertainment District - Block Plan



- 1

B-Cycle station
- 2

Designated transit stops
- 3

Retractable bollards
- 4

Fixed bollards
- 5

Smooth 5' wide pavers
- 6

Permeable cobblestone
- 7

ADA accessible mid-block crosswalk
- 8

New trees to compliment existing
- 9

Existing trees of notable status
- 10

New brick to match existing
- Existing curb line

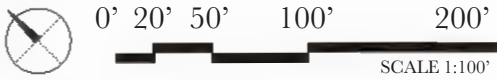


STATE STREET MASTER PLAN | Civic District

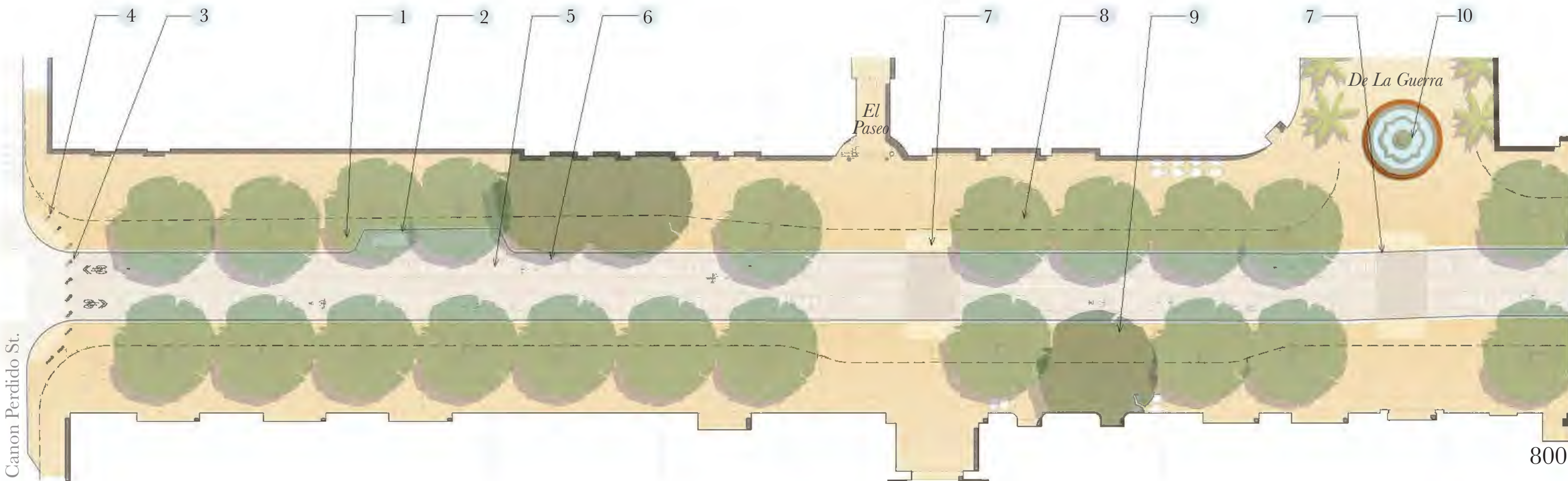


- 1 B-Cycle station
- 2 Designated transit stops
- 3 Retractable bollards
- 4 Designated drop-off zones
- 5 Pedestrian only
- 6 Opportunities for more landscape design and public art

--- Existing curb line



STATE STREET MASTER PLAN | Civic District - Block Plan



- 1

B-Cycle station
- 2

Designated transit stops
- 3

Retractable bollards
- 4

Fixed bollards
- 5

Smooth 5' wide pavers
- 6

Permeable cobblestone
- 7

ADA accessible mid-block crosswalk
- 8

Proposed allée of wide canopy trees
- 9

Existing trees of notable status
- 10

Public fountain
- Existing curb line



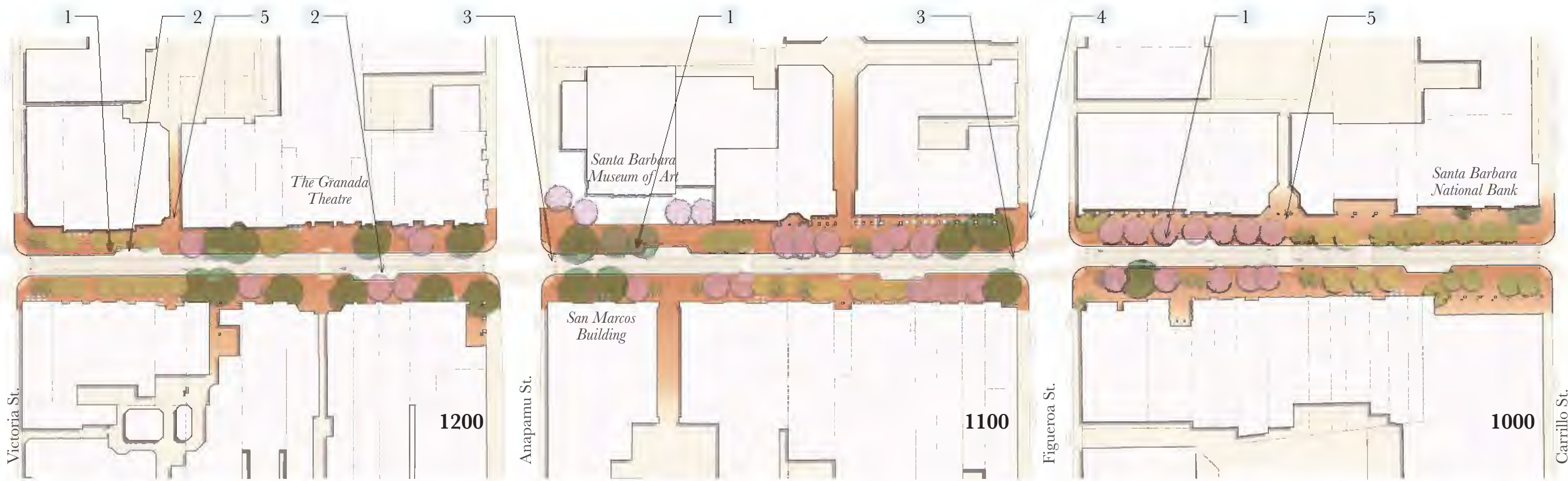
STATE STREET MASTER PLAN | *Plaza de la Guerra*



STATE STREET MASTER PLAN | *Plaza de la Guerra*

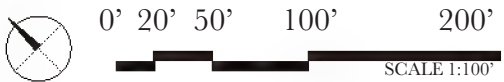


STATE STREET MASTER PLAN | Arts District

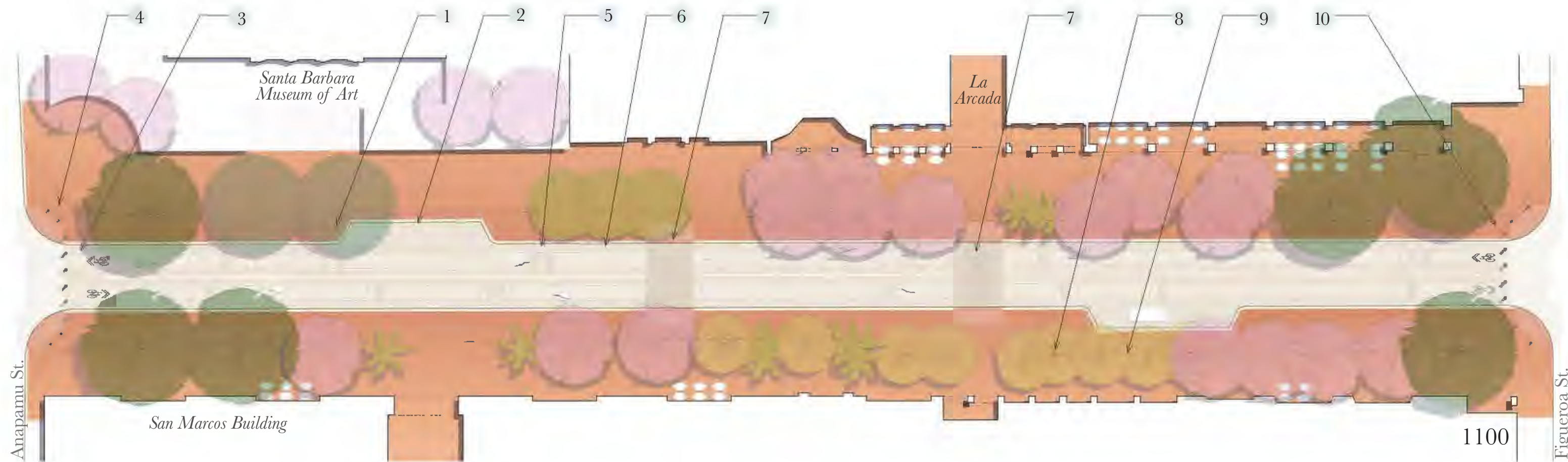


- 1 B-Cycle station
- 2 Designated transit stops
- 3 Retractable bollards
- 4 Designated drop-off zones
- 5 Opportunities for more landscape design

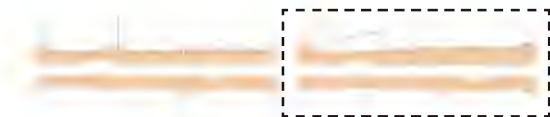
--- Existing curb line



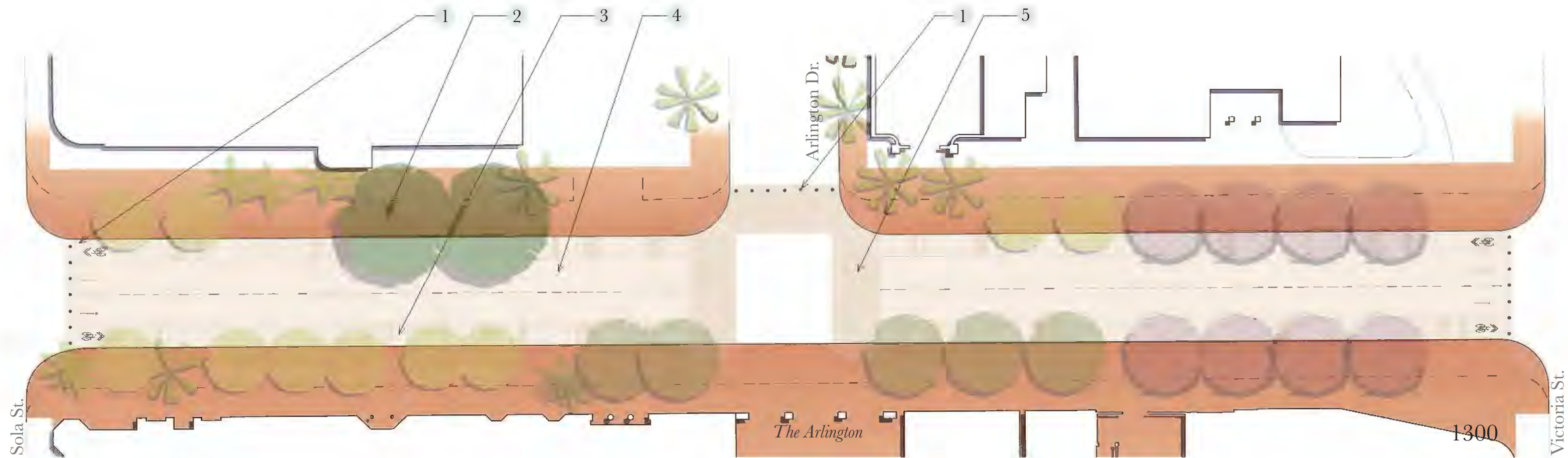
STATE STREET MASTER PLAN | Arts District - Block Plan



- | | | |
|----------------------------|--------------------------------------|------------------------------------|
| 1 B-Cycle station | 5 Smooth 5' wide pavers | 9 Existing trees of notable status |
| 2 Designated transit stops | 6 Permeable cobblestone | 10 New brick to match existing |
| 3 Retractable bollards | 7 ADA accessible mid-block crosswalk | |
| 4 Fixed bollards | 8 New trees to compliment existing | |



STATE STREET MASTER PLAN | Arts District - Block Plan



- 1 Retractable Bollards
- 2 New trees to compliment existing
- 3 7' Bike Lanes
- 4 10' Travel Lanes
- 5 ADA accessible mid-block crosswalk

--- Existing curb line



STATE STREET MASTER PLAN | *Intersection Design Details*

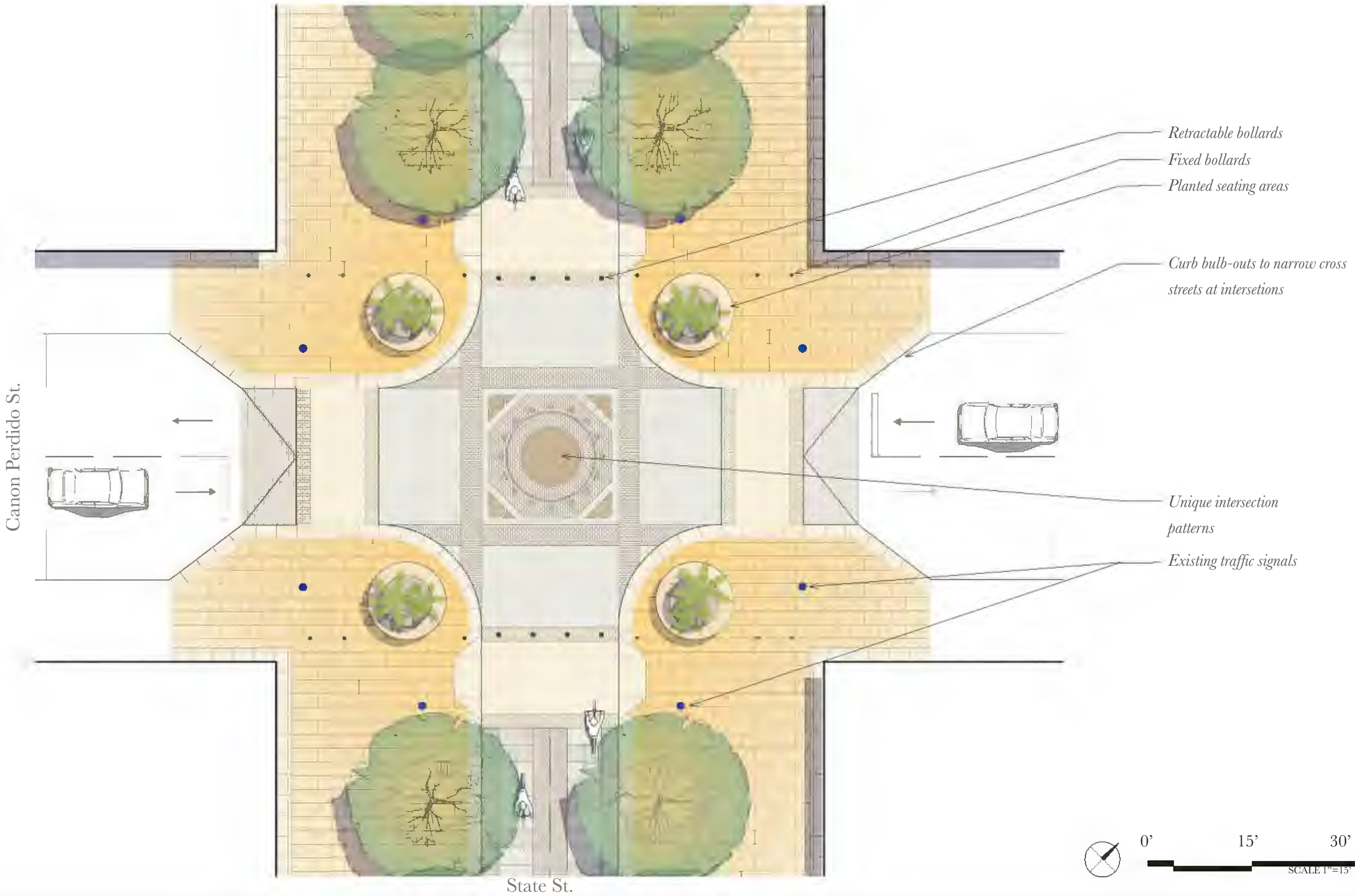
The design of intersections should prioritize pedestrian activity and accessibility while reinforcing the downtown’s historic character.

Each intersection should provide safe, intuitive crossings, clear ADA-accessible paths of travel, and design cues that encourage slower vehicle and bicycle speeds.

- 1. Raise pedestrian crossings at cross streets
- 2. Create unique intersection designs
- 3. Increase seating and landscaping
- 4. Incorporate artistic bollard designs
- 5. Introduce public art features and public fountains

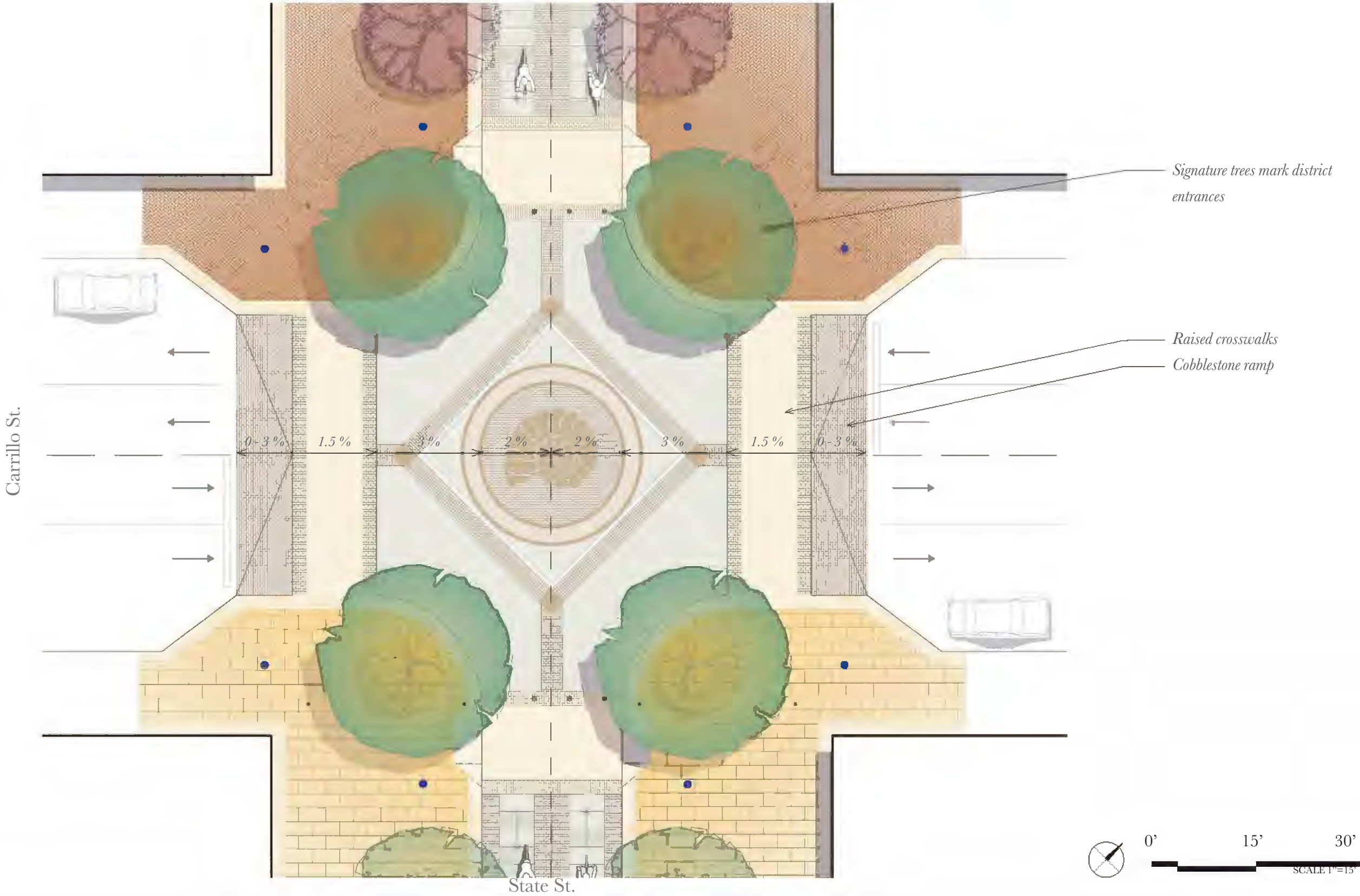


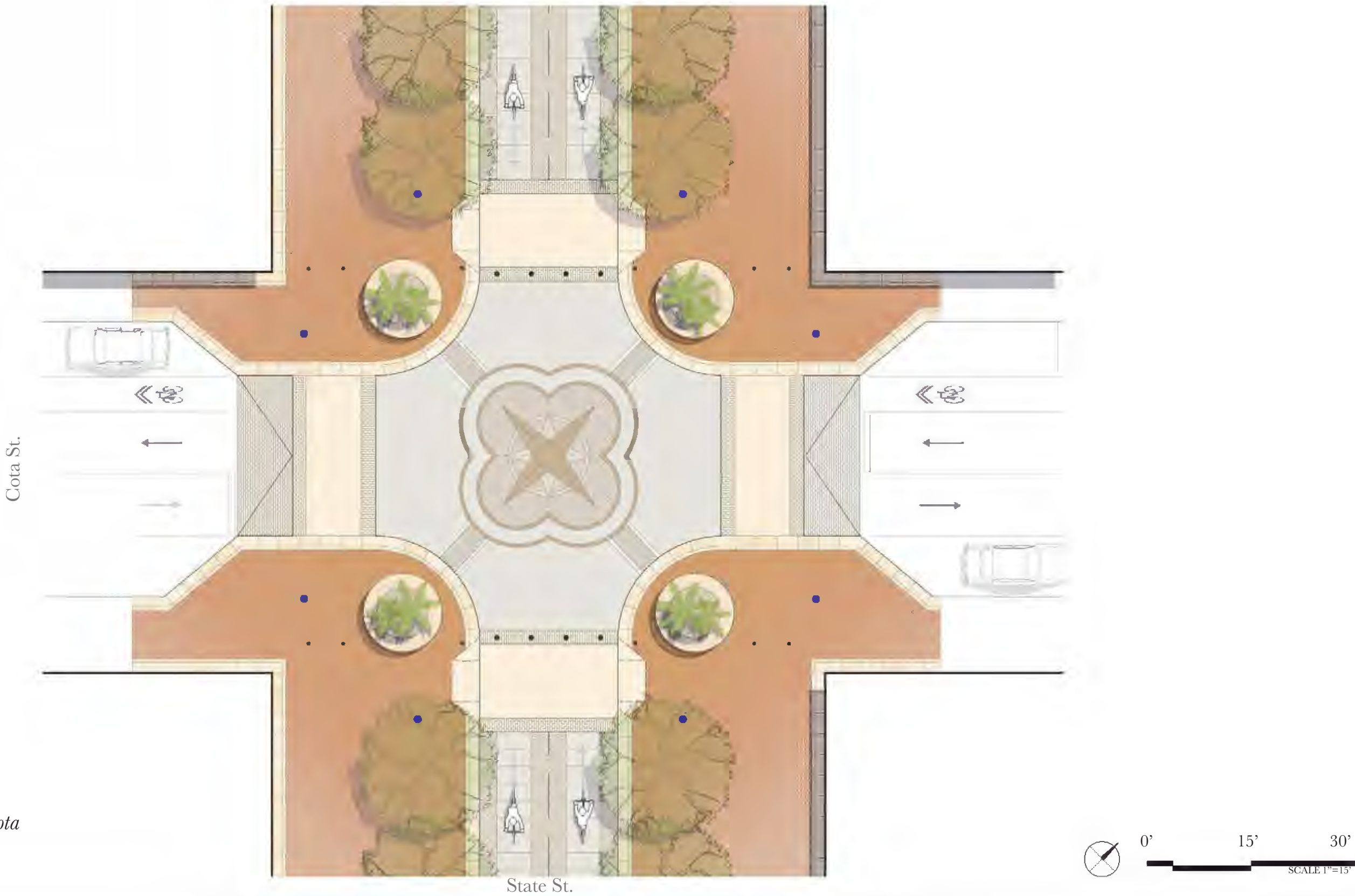
STATE STREET MASTER PLAN | *Intersection Design Details*



Intersection of State and Canon Perdido Streets.

STATE STREET MASTER PLAN | *Intersection Design Details*





Intersection of State and Cota Streets.

STATE STREET MASTER PLAN | *Details of the Right-of-Way*

A successful design for State Street must encourage the modernization of critical infrastructure while preserving the historic character that marks Downtown Santa Barbara as a special place.

- 1. Permeable crosswalk design
- 2. Smooth path within travel lane for cyclist travel
- 3. Stone treatment of the Civic District sidewalk
- 4. Pedestrian signals at mid-block crossings



STATE STREET MASTER PLAN | *Details of the Right-of-Way*

- 5. Allée of trees that provide shade
- 6. Sidewalk furnishings and benches
- 7. Conserving a unique existing landscape
- 8. Dining zones with standardized barriers
- 9. Ample lighting for safety and comfort





Before: State Street looking towards the Grand Paseo in the Civic District.



After: State Street looking towards the Grand Paseo in the Civic District.



Before: State Street looking towards the Granada Theatre in the Arts District.



After: State Street looking towards the Granada Theatre in the Arts District.



Before: Intersection at State and Carrillo Streets.



After: Intersection at State and Carrillo Streets.



Before: State Street looking towards the weekly farmer's market.



After: State Street looking towards the weekly farmer's market.

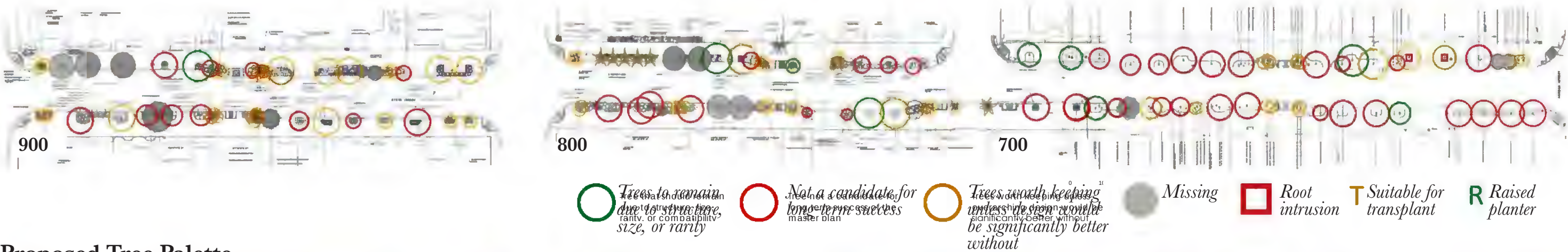


Before: State Street looking the Santa Barbara Hotel in the Entertainment District



After: State Street looking the Santa Barbara Hotel in the Entertainment District

Examining the Existing Landscape Conditions



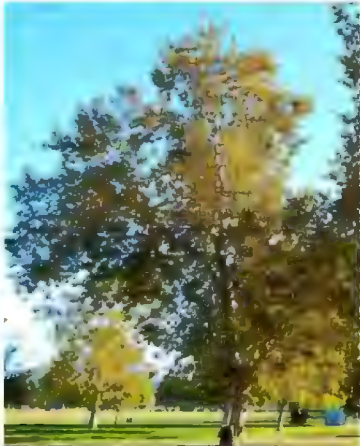
Proposed Tree Palette
Civic District



London Plane ‘Columbia’



Island Oak



Western Sycamore



Jacaranda



African Tulip Tree



Crown of Gold Tree



Chinese Pistache



Tulipwood Tree



Naked Coral Tree



Australian Willow



Weeping Bottle Brush

Arts District and Entertainment District



Plaza de los Naranjas (Marbella, Spain)



Jardins de Rubió i Lluch (Barcelona, Spain)

Pedestrian Safety

- Shorten crossings
- Install adequate lighting
- Increase pedestrian zone
- Slow travel lane traffic

Emergency & Service Operations

- Expand transit service
- Establish standard transit stops
- Ensure delivery, emergency, and maintenance access
- Maintain clearance for emergency vehicles

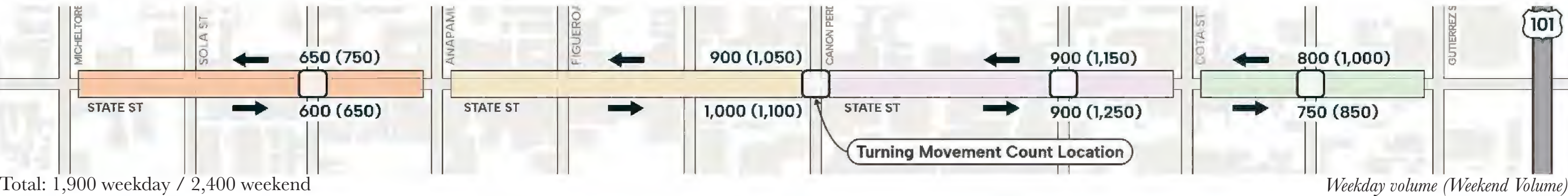
Formal Bike Infrastructure

- Design pavement patterns for safe and continuous routes
- Increase bicycle parking
- Install B-Cycle stations at regular intervals

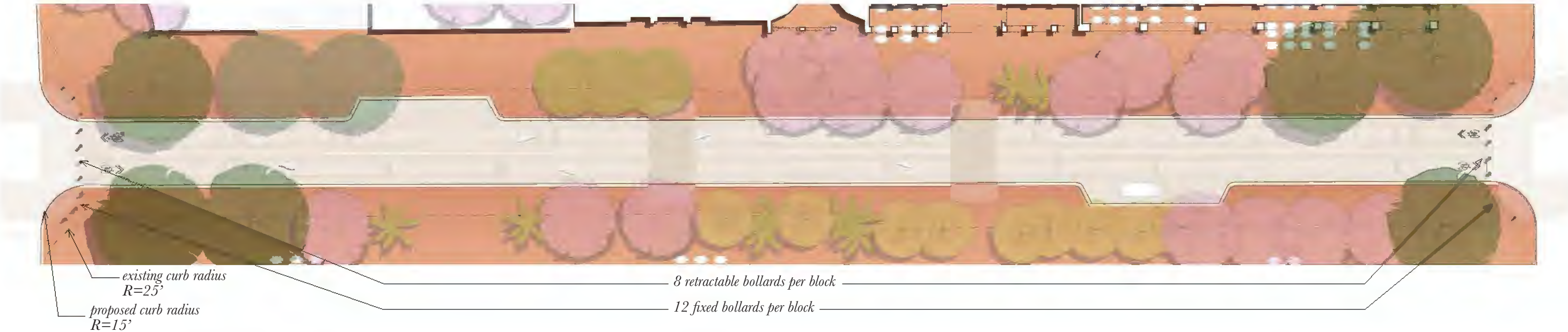
Slow Vehicular Speeds

- Reduce curb radii from 25' to 15'
- Use cobble or textured pavers

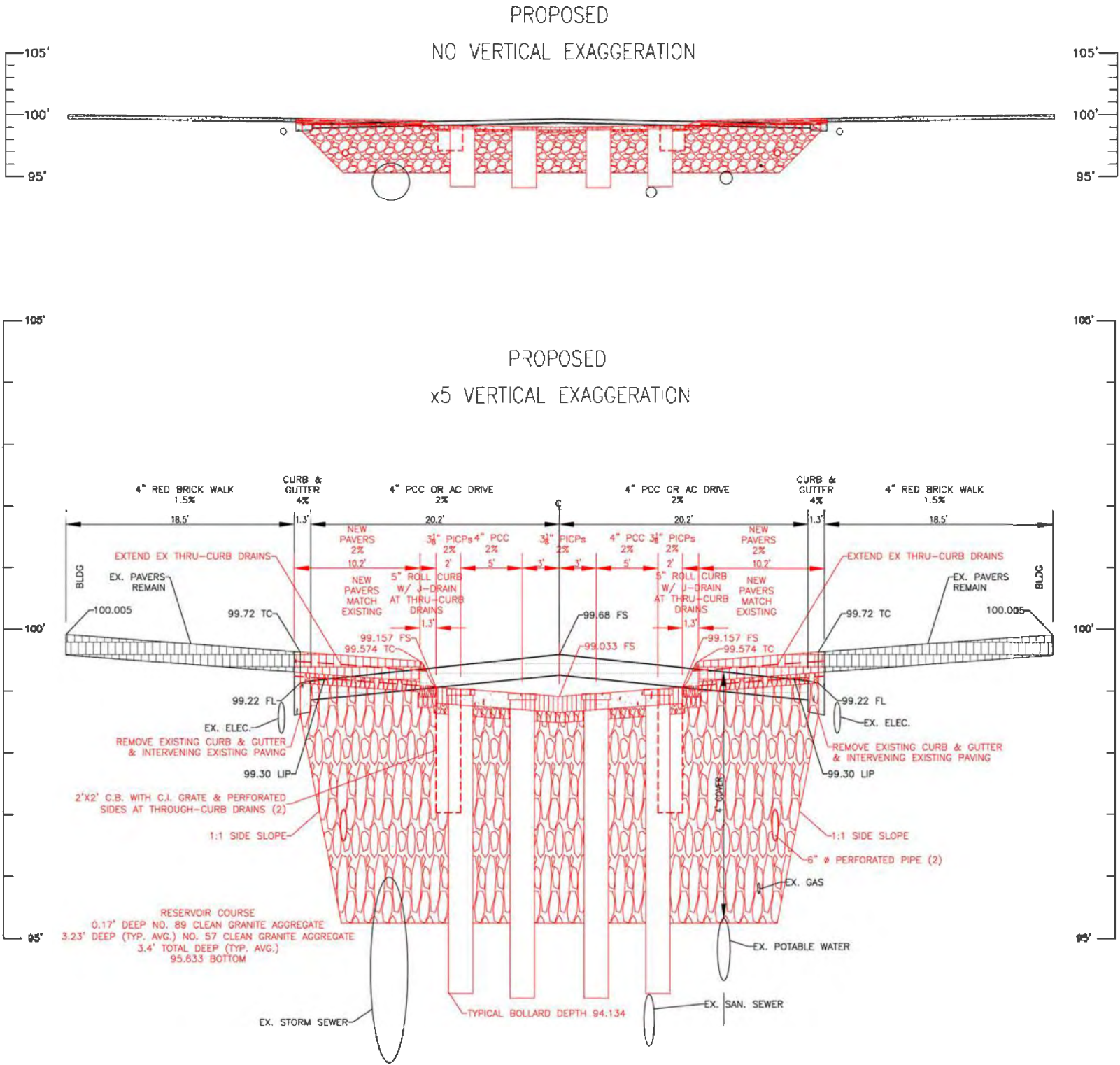
Bicycle Volumes - 2022 Summer Counts (6AM-7PM)



Retractable Bollards

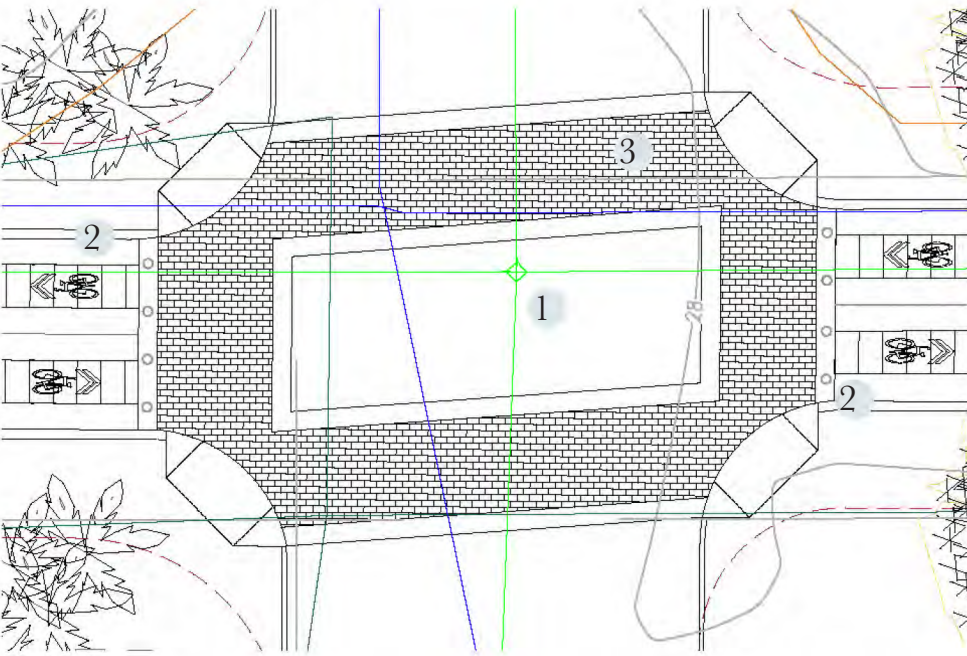


Stormwater Section



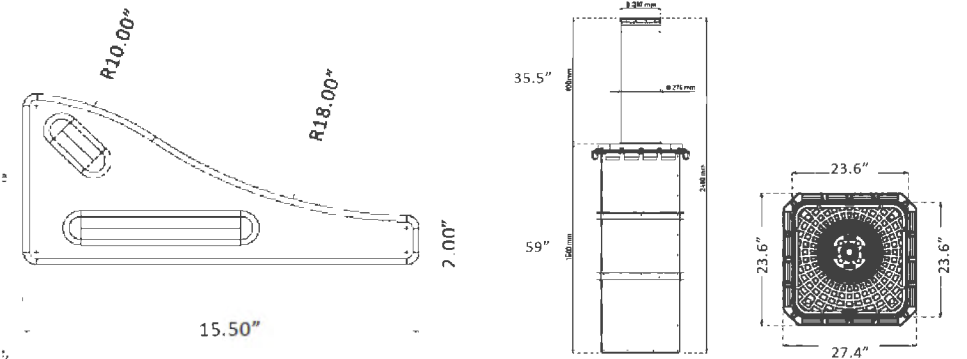
Cross Street Transitions

1. The inverted crown profile of the street continues through intersections.
2. The proposed roll curb ends at the beginning of the curb return.
3. The road profile changes to match the cross street's drainage pattern, and this change happens behind the permeable pavers and across the crosswalk area.



J-Drain for Rolled Curb

Retractable Bollard



TECHNICAL SUMMARIES | *Design Guidelines for a Competitive Retail Street*

Access & Signage



Parking - Surface & Structure



Streetscape & Landscape



Retail, Dining, & Entertainment



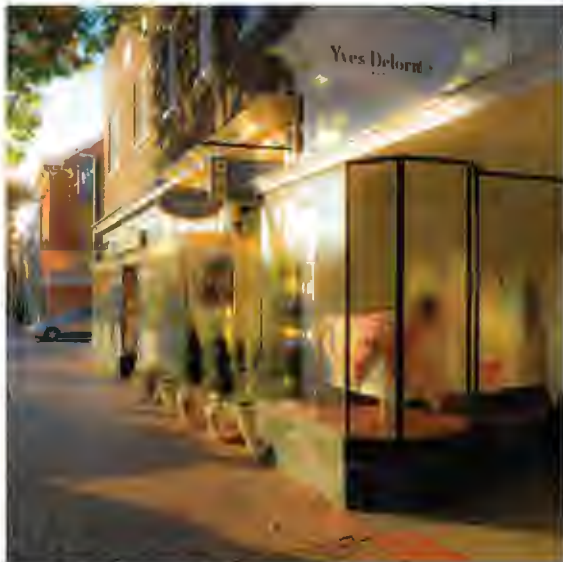
Mix of Public Programming



Housing



Quality of Store Fronts



Transit



Lighting



Safety



TECHNICAL SUMMARIES | *Retail Analysis of Downtown Santa Barbara*

1. Encourage a wide selection of businesses, brands, and price points that appeal to the community and visitors.
2. Consider block-by-block management to better respond to changing market trends and community preferences.
3. Implement store, civic and brand wayfinding system along State Street.
4. Support and expand the Business Improvement District’s resources.
5. Execute a robust performance-based parking management approach, that considers pricing and peak-hours to encourage turnover and availability.
6. Convert Anacapa St., Chapala St., Gutierrez St., Haley St. into two-way thoroughfares
7. Re-purpose under-utilized commercial properties for housing, community uses, and commercial space.
8. Explore public programming and events that encourage diverse activities and celebrations.
9. Initiate a specific plan to enable in-fill housing.
10. As this plan is being executed, the City should propose a schedule for reducing the time necessary to issue retail licenses on State Street.



*Entertainment District
400-600*



*Civic District
700-900*



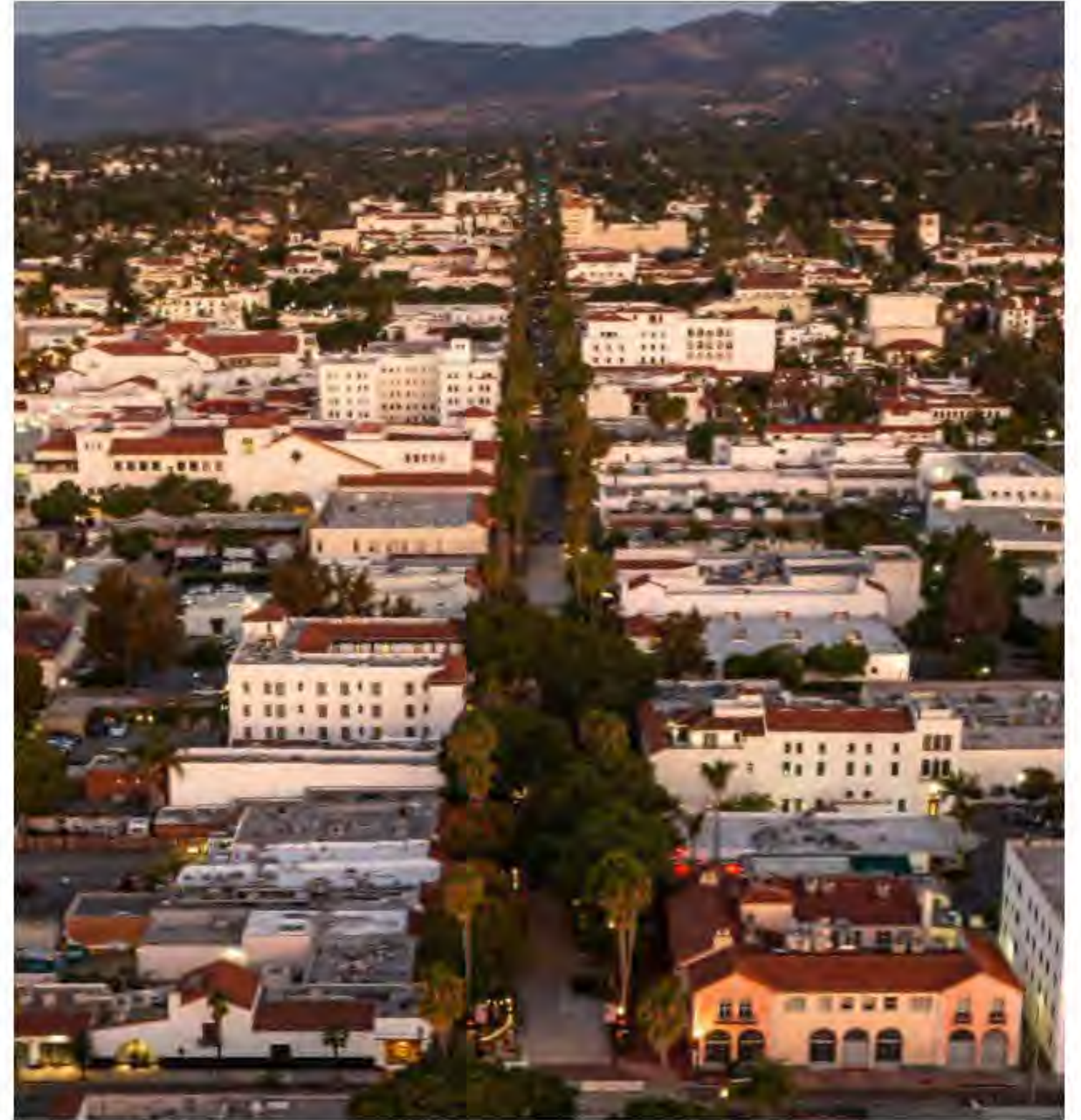
*Arts District
1000-1200*

STATE STREET MASTER PLAN CONCLUSIONS

Since the 1960s, State Street has operated as a regional retail destination. Designed to explicitly privilege the pedestrian experience of its users, parking was eliminated from its right-of-way and concentrated in adjacent parking garages at great public cost. Sidewalks were expanded and richly streetscaped. Since the 2020 COVID-19 pandemic, and while the street has been entirely closed to vehicular traffic and given over to pedestrians, its form has become fragmented, its range of retail offerings has been reduced, and its public realm maintenance has become inadequate. As a result, its primacy as the civic and commercial center of your city is now being questioned.

Before 2020, State Street was one of the premier retail venues in California, its unique form, reputation, and performance steadily increasing over time. Since 2020, several important national retail trends have conspired to reduce its expected evolution: the expansion of internet sales, the collapse of the department stores at Paseo Nuevo, and the erosion of its development potential due to uncertainty about its future. Yet, despite being subject to all these negative trends, its appearance remains poor and its current mix of modes chaotic; however, sales and tax receipts have plateaued, but not decreased.

A flex scheme reorders the form of State Street according to its traditional 75-year pattern as a multi-modal, park-like place. It recognizes its subdistricts and takes advantage of the ample garage parking that serves them. It acknowledges mode mixes unique to the mobility needs of citizens and visitors alike. It proposes infra-structural and ecological improvements and offers recommendations for the many actions the city needs to take in support of the proposed changes. Continuing the traditional trajectory of this extraordinary place will strengthen its claim as the commercial center of your city. Its physical regeneration also stands a good chance of achieving the full range of social and financial objectives expressed by the citizens of Santa Barbara.



APPENDIX B.b

STATE STREET master plan

ARCADIA
STUDIO
landscape architecture

Existing

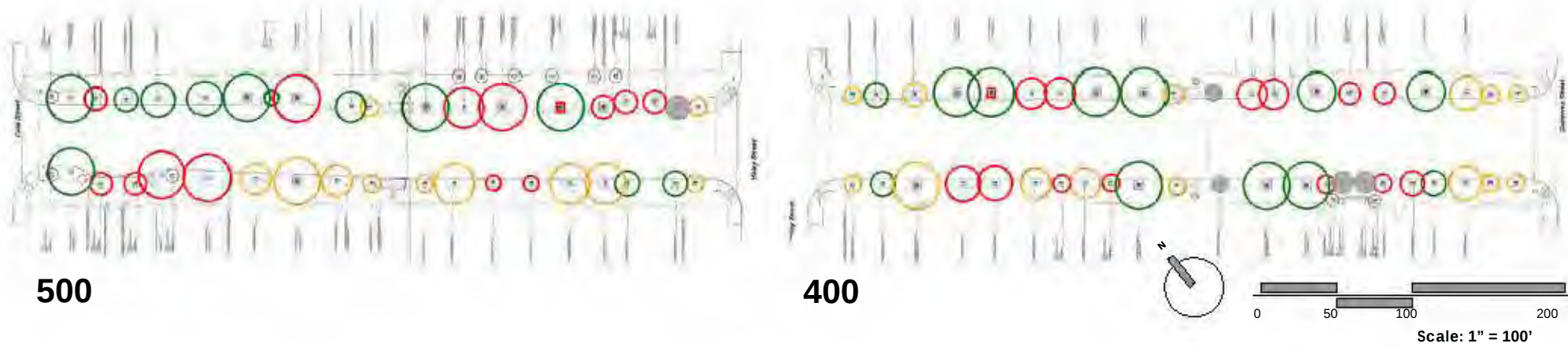
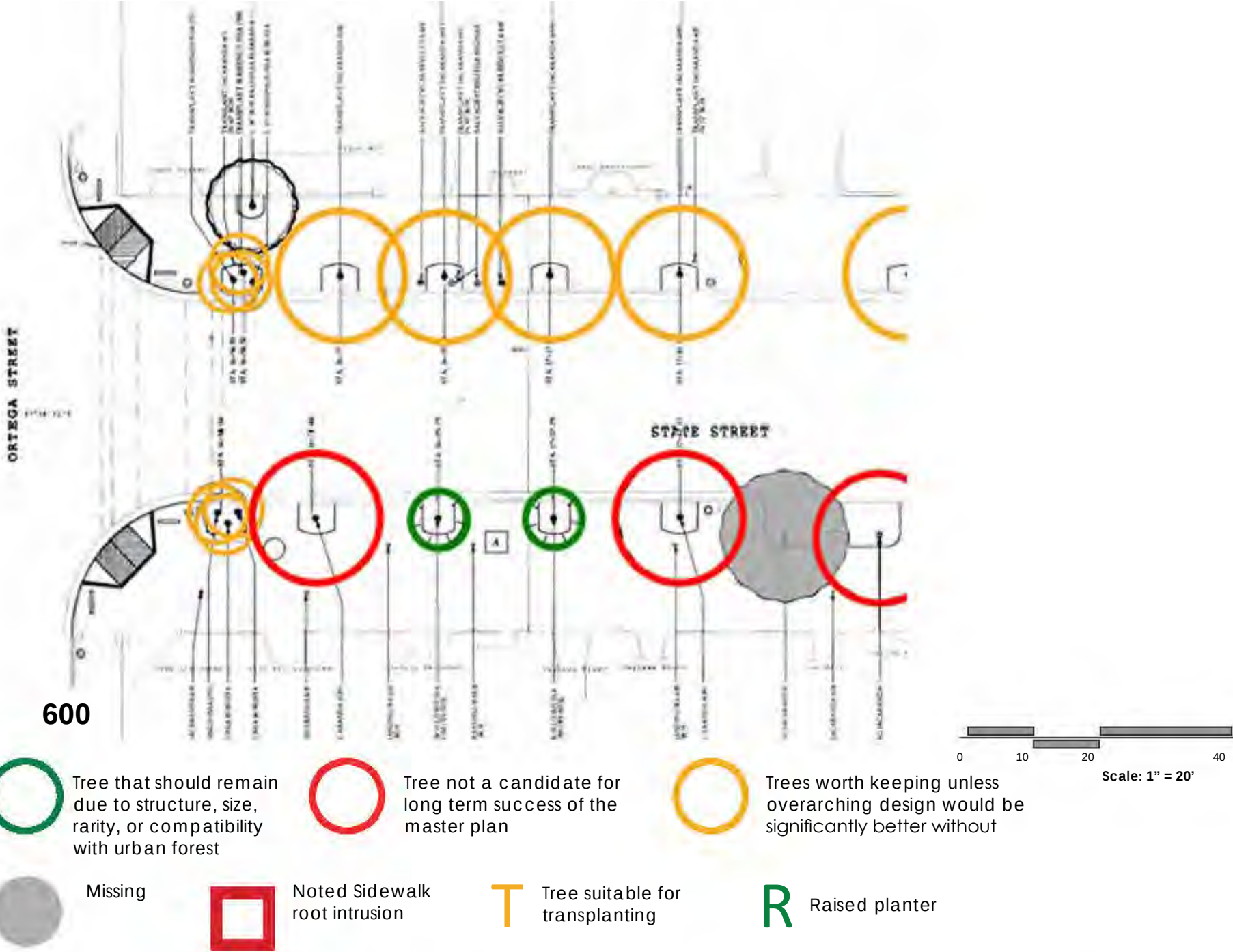
The 00–1200 block of downtown State Street is designated as a “Mixed Species” street tree corridor by the City of Santa Barbara’s Parks & Recreation Division. This designation is unique within the city, as it is the only block without a single designated primary street tree species (and alternate). During the design of the downtown State Street blocks, City Council directed the introduction and encouragement of tree diversity.

The existing tree species and layout reflect a deliberate relationship to adjacent uses and built elements. Clusters of Mexican Fan Palms are planted along both sides of the street. These palms serve as skyline markers for pedestrian crossings at intersections and mid-block pedestrian crossings. At prominent building frontages, pairs of trees are planted symmetrically with storefronts or entry doors. This symmetry reinforces the architectural relationship between buildings and the streetscape. Trees are also selected and placed to highlight paseo intersections along the sidewalks.

Planter pockets are distributed throughout the corridor to support the symmetrical door-tree layout. The planters were originally intended as a protective buffer for pedestrians from major vehicular traffic. However, with positive trends in pedestrian and bicycle circulation and the post-COVID closure of the road to cars, such landscape features obstruct sightlines into storefronts and impede across-street shopping across the street. Breaks in curbside planters are strategically located. These openings accommodate bike parking, bench seating, and drop-off areas as dictated by traffic patterns.

Existing plant material largely reflects the original design intent of the 00–1200 block corridor. Refer to Sheet 2 for the existing tree inventory and analysis.

Entertainment District | Ortega St - Gutierrez St



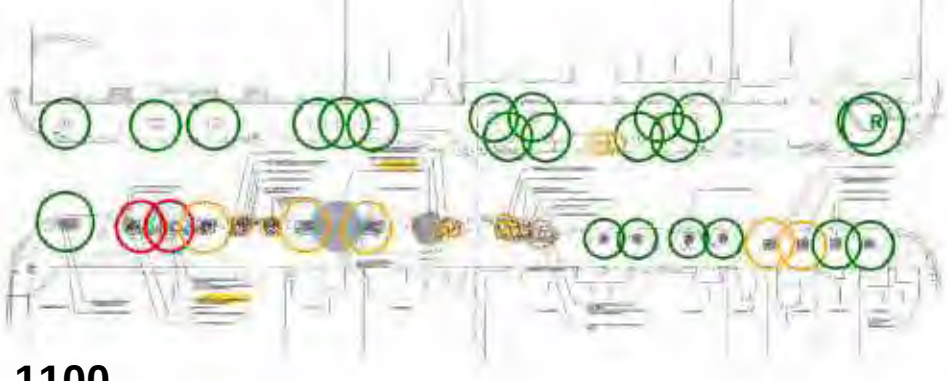
STATE STREET master plan

Existing Inventory & Analysis

Arts District | Victoria St - Carrillo St



1200



1100



1000

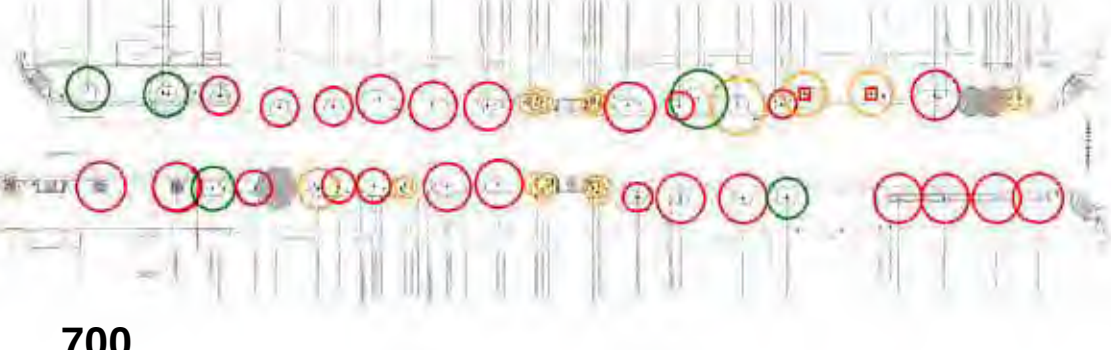
Civic/ Commercial District | Carrillo St - Ortega St



900



800

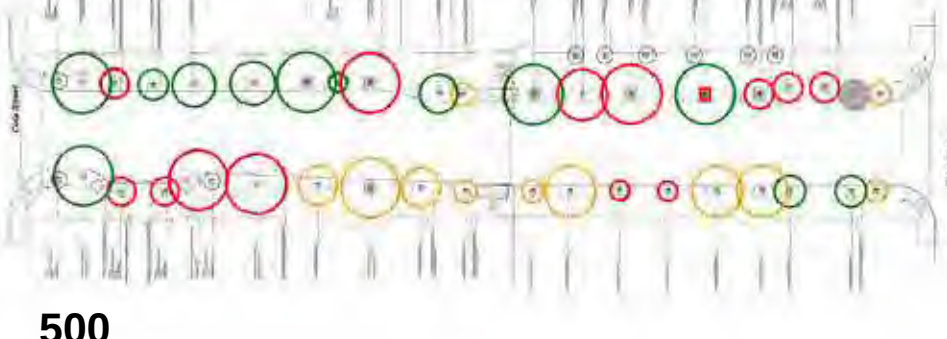


700

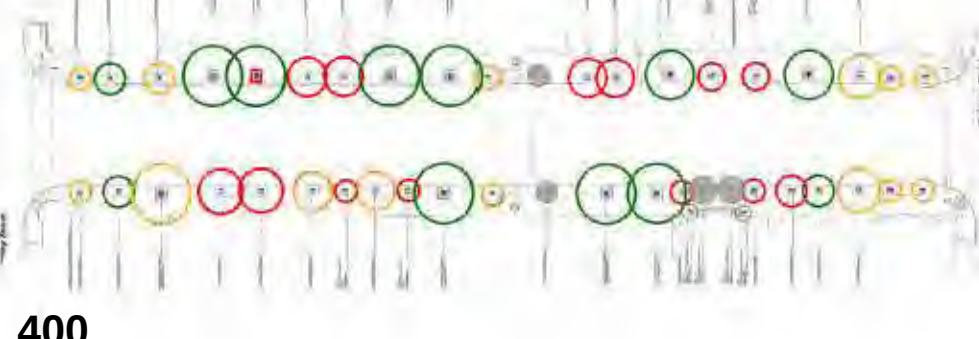
Entertainment District | Ortega St - Gutierrez St



600



500



400

 Tree that should remain due to structure, size, rarity, or compatibility with urban forest

 Tree not a candidate for long term success of the master plan

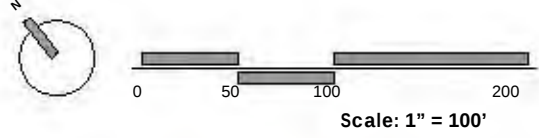
 Trees worth keeping unless overarching design would be significantly better without

 Missing

 Noted Sidewalk root intrusion

 Tree suitable for transplanting

 Raised planter



STATE STREET master plan

Existing Inventory & Analysis

Civic Commercial District
Carrillo St - Ortega St
700 - 900

The 700-900 blocks of State Street are envisioned as a flexible and safe public space featuring an allee of broad, leafy shade trees to ensure uniform coverage and maximum flexibility. This block should use a planter configuration that covers the tree root ball with tree grates, hiding irrigation and root containment measures. This will maximize the ground plane flexibility, site lines and enhance the architectural facades of the block.

The over-arching goal for the landscape in these blocks is to create maximum usability of the ground plane emphasizing pedestrian comfort with shade and predictability, while preserving significant skyline trees and specimens as a part of the inherent, historical nature of the corridor. Selection of existing at-grade planting locations to remain will be done to encourage the program function or to emphasize hierarchy of site elements as they relate to the future use of the space.

Proposed Tree Palette



Platanus acerifolia 'Colombia'
London Plane Tree



Quercus tomentella
Island Oak



Platanus racemosa
Western Sycamore



Corymbia citriodora
Lemon Gum



Lophostemon confertus
Brisbane Box Tree



Angophora costata
Sydney Red Gum

Entertainment District

Ortega St - Gutierrez St
400 - 600

The 400-600 blocks of State Street currently have heavy vehicle circulation, a dense tree canopy and narrow sidewalks. Thinning the dense canopy, while preserving the majority of the specimens will allow more natural light and sightlines. Proposed trees throughout these blocks are selected to emphasize a more intimate scale experience with lower canopies. These blocks contain the main outdoor dining spaces. These spaces will benefit from a uniform food and alcohol barrier design, expanded sidewalks, select at-grade plantings, uniform paving approaches and modular raised planters for greenery at the pedestrian and seated level. A uniform approach to lighting and paving materials will create a cohesive, comfortable pedestrian experience.



Harpullia pendula
Tulipwood Tree



Jacaranda mimosifolia
Jacaranda



Cassia leptophylla
Gold Medallion Tree

Arts District

Victoria St - Carrillo St
1000 - 1200

The 1000-1200 blocks of State Street contain a greater variety of tree species; assessment of failed tree species or planted locations informs the proposed tree selection. Trees to remain and proposed trees are selected to encourage a sense of scale most appropriate with the mixed use of retail and dining found throughout. Some skyline trees will be preserved to aid in visual cohesion of the downtown corridor. At-grade planters previously meant to buffer pedestrians from the street will be minimized or removed where necessary. Proposed planting will consist of both native species as well as character defining naturalized species. Utility connections should be undergrounded to minimize clutter in the pedestrian corridor, and raised beds should be removed unless they contain significant specimen trees that cannot be transplanted. A uniform lighting strategy for evening gathering areas creates less visual clutter during the day and establishes a cadence throughout the street in the evening.



Ulmus parvifolia
Chinese Elm



Spathodea campanulata
African Tulip Tree



Tristaniopsis laurina
Water Gum

E Sola St - E Victoria St
1300

The 1300 block serves as a transition from the downtown portion of State St. to the standard commercial blocks. The most evident signal of this transition is the difference between the downtown mixed species tree blocks, 00-1200, and the singular species tree designation of the next six blocks, 1400-1900. Containing a variety of palms from both designations, this block would retain the existing palms and add shade trees to respond to and complement historically significant structures.



Callistemon viminalis
Weeping Bottle Brush



Metrosideros excelsa
Pohutukawa



Olea europaea
Olive

APPENDIX B.c

Fehr & Peers State Street Master Plan

Mobility Considerations to Support
Planning, Design, and Implementation

Miguel Núñez | April 2026



Agenda

- 01 Project Context
- 02 Existing Conditions
- 03 Design Priorities

State Street Mobility Context



State Street looking southeast, open to vehicle traffic before COVID

Pre- COVID

- Vehicle oriented corridor with decreasing storefront occupancy, destinations, visitors, and pedestrians
- Emergence of Funk Zone and neighborhood destinations shifted local and visitor preferences away from State Street
- Needs a cohesive strategy for mobility, streetscape, economic, and neighborhood dynamics of a neighborhood evolving from one that is visited to one where people live, work, and play



State Street looking southeast, closed for nighttime activities

Present

- Pedestrian/visitor activity anchored by public/social space
- Support active storefront occupancy, expand outdoor dining and widen sidewalks
- Flexibility for managed State Street Loop, service, and emergency access (MTD Downtown - Waterfront Shuttle May – Sept)
- A third space for the entire community and visitors



State Street Pre - COVID Mobility Activity

(Data below pre - COVID)



100+

Bicycle/Pedestrian Activity

- 2016 BMP shows study area bike counts in the hundreds per day
- High State Street pedestrian and biking activity



<9,400

Daily Vehicle Volume

- State Street daily volumes less than 9,400
- Anacapa/Chapala less than 12,000 vehicles/day



74%

Parking Occupancy

- Parking structures 70% occupied (July 2019)
- Weekdays/Saturdays 2,300 - 2,400 occupied spaces



<100

Daily Transit Riders

- Pre- COVID, MTD Downtown shuttle averaged <125 riders/day
- MTD Downtown - Waterfront Shuttle suspended during COVID

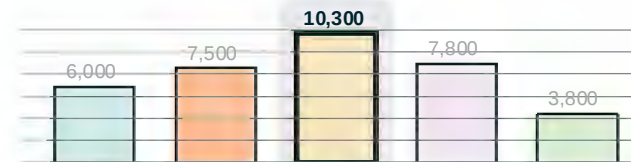


Vehicle Volumes

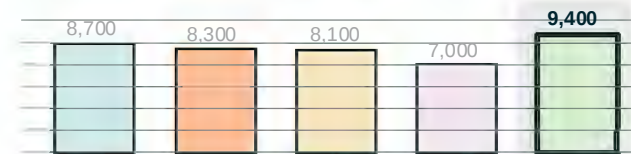
Pre-COVID Daily Traffic (2015– 2019)

- Chapala Street volumes < **11,800** daily vehicles
- Anacapa Street volumes < **10,300** daily vehicles
- State Street volumes < **9,400** daily vehicles

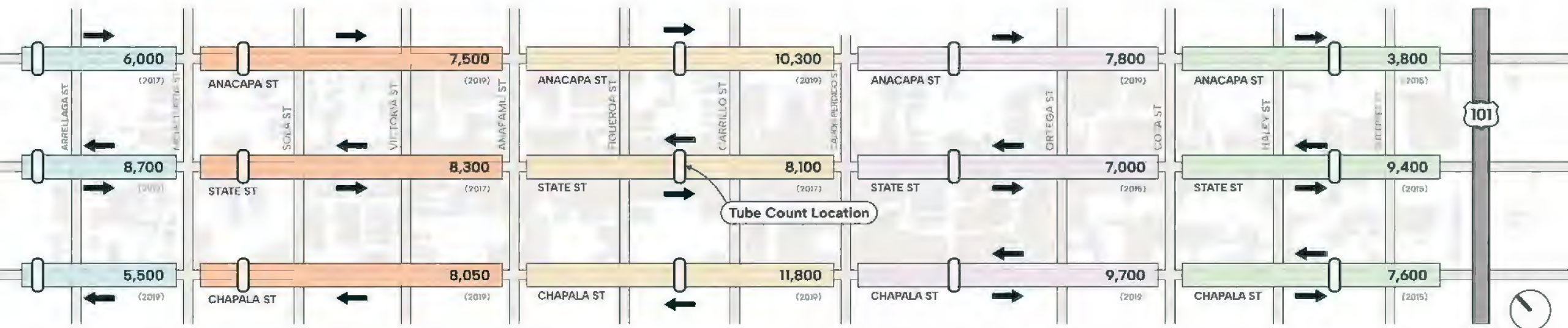
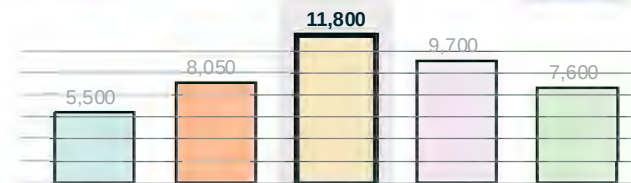
ANACAPA ST



STATE ST



CHAPALA ST



Values shown as Daily Trips

State Street Existing Mobility Activity

(Existing data below from 2022 - 2025)



2,400

Peak Weekend Bicycle Activity

- Up to **1,250** peak directional volumes
- Strong weekend activity (up to **2,400** daily)
- High pedestrian activity



0

Daily Vehicle Volume

- Post 2020 no vehicles on State Street, excluding the 400 block and Granada Theater frontage



52%

Parking Occupancy

- Parking structure occupancy decreased to **50%** (July 2022)
- Weekdays/Saturdays 1,500- 1,700 occupied spaces



~200

Daily Transit Riders

- In July/August 2025, State Street Loop averaged **175** riders/day
- Positive survey feedback for State Street Loop



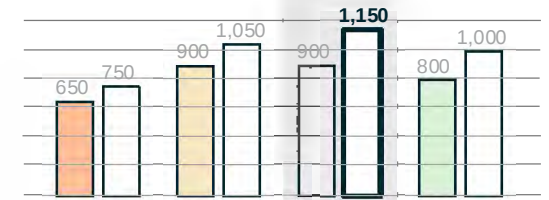
Bicycle Volumes

Existing Activity*

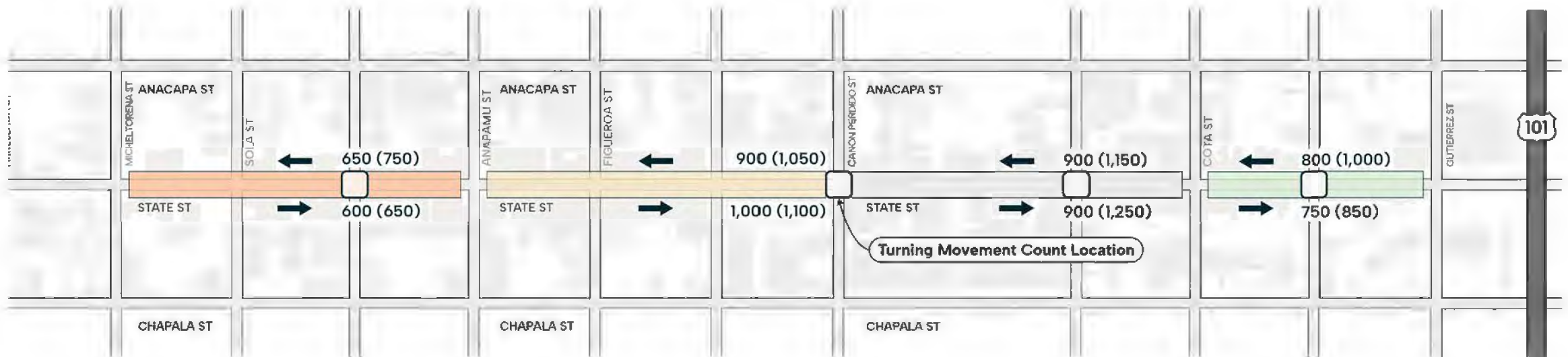
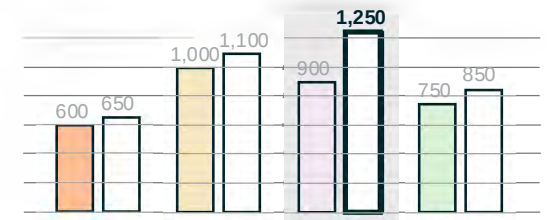
High Bicycle Activity, especially on weekends

- Northbound volumes 650 - 900 (wkdy) and 750 - 1,150 (wknd)
- Southbound volumes 600 - 900 (wkdy) and 650 - 1,250 (wknd)
- Up to 1,900 weekday/2,400 weekend total (NB+SB) volume

NORTHBOUND



SOUTHBOUND



Values shown as Weekday Volume (Weekend Volume)

*Data collected Summer 2022 (6AM-7PM)

Design Priorities



Improve Safety for All State Street Users

- Enhanced ADA compliance, shortened pedestrian crossings at intersections, and signals and crossing treatments midblock
- Increase visibility, pedestrian space, and accessibility
- Separate space for people walking and on bikes



Maintain Emergency Access

- Design for fire and first responder 24/7 access
- Provide required width/clear space for FD/PD
- 400 block remains open for response time and waterfront access



Preserve Service Functionality

- Maintain loading, deliveries, and business access to buildings on State Street

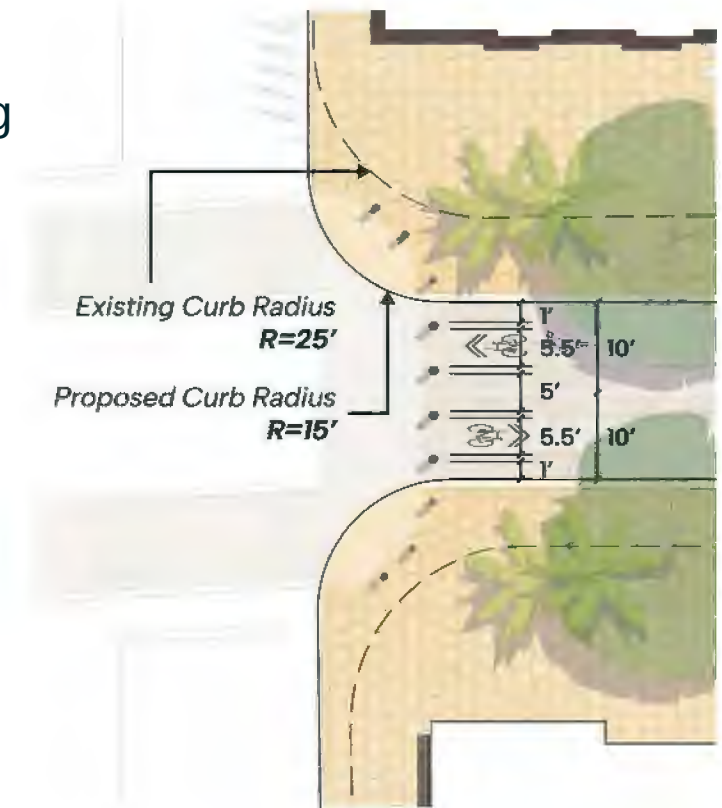


Slow Vehicle Speeds

- Reduce curb radii and road widths to calm vehicle speed at intersections
- Midblock crosswalks and signals

Improve Pedestrian Safety and Slow Vehicles

- Wider sidewalks (+50 –60%) increase pedestrian space and visibility
- Narrower travel lanes (10 ft) calm speeds and reduce aggressive driving
- Smaller curb radii (15 ft) slow turning vehicles and reduce pedestrian exposure
- Curb extensions shorten crossing distances by 50–60% (20 –30 ft)
- Improved visibility and yielding at intersections
- Textured roadway treatments increase driver awareness (vibration/noise)



State Street typical intersection treatments plan view

Strategies for Maintaining Emergency Access

- **Street network:** 400 block remains open, maintaining critical first responder routes to/from coast
- **Street width:** proposed curb to curb road width is 20' with additional 3' of clearance on each side to maintain minimum 26' width required for emergency vehicle access
- **Rolled curbs:** proposed to account for additional clearance without further widening
- **Retractable bollards:** controlled by PD/FD/public safety with options for remote or RFID control
 - o Bollard retraction time estimated at less than 10 seconds



Bollard - Protected Application

Palm Springs



Santa Monica



State Street

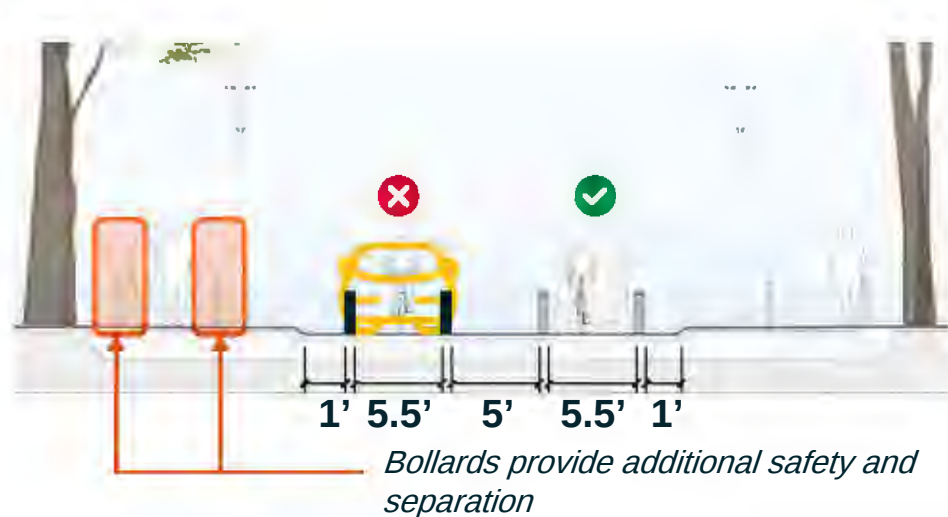
- ✓ Strategic bollard placement and operation
- 5'- 5.5' spacing allows State St Loop vehicles, while restricting general traffic
 - Bollards raised: 10AM – 10PM
 - Bollards lowered: 10 PM – 10AM
 - Manual removal option in case of remote operation malfunction

Sample southern California bollards installations: bollards should be consistent with historic material district standards

Typical Block Bollard Implementation

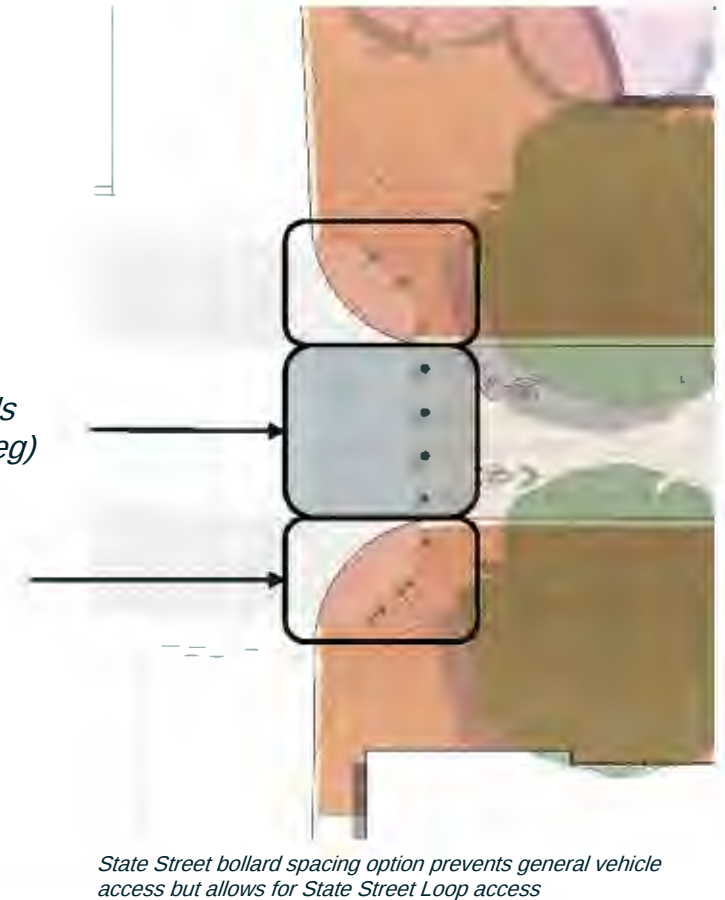
State Street bollards (at travel lanes and curb ramps)

- 20 per block – 4 in roadway and 6 at curb ramps at each end of the block
- 7 blocks (Haley St to Victoria St)
- 140 total bollards for 7 block area



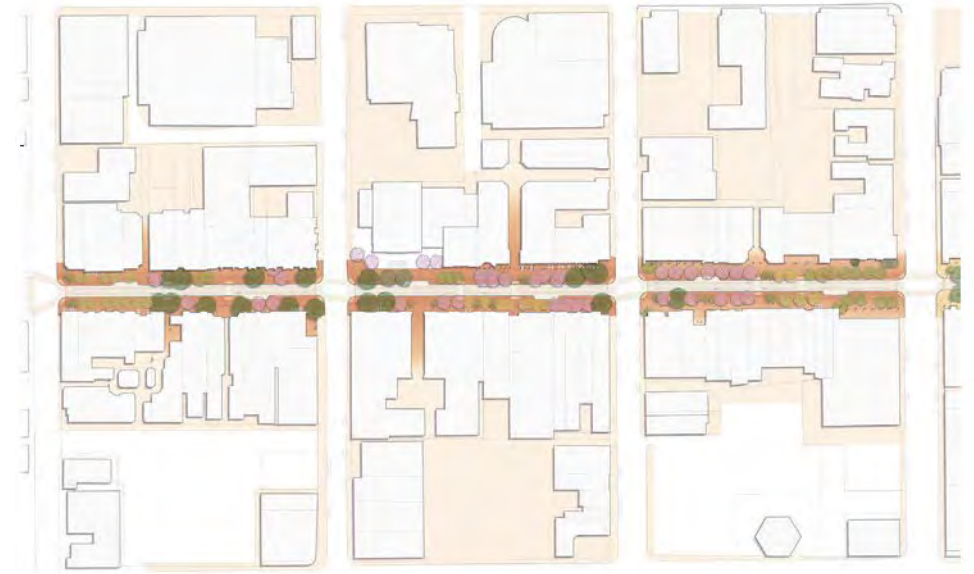
*8 crash-rated **retractable** bollards per block (4 at each intersection leg)*

12 crash-rated bollards per block (min. 3 per corner curb ramp, 4 corner curb ramps per block)



Preserve Service Functionality: Cross-Streets

- Allow pick - up/drop - off & short - term parking
- Area for additional bike parking or bike share (sidewalk or on-street):
 - o 4 – 5 racks ≈ parking for 8 – 10 bikes; or
 - o Bike share station
- Designated loading & service access to support businesses and short- term needs
- Maintain first responder and vehicle access
- Flexibility for delivery access 24 /7
- Design and materials will help delineate areas for pedestrians, bikes, vehicles, and deliveries



Plan view of intersection with proposed State Street configuration

Downtown's Existing Transit

State Street Loop

- ✓ 4 free EV shuttles operate Thurs–Sun, noon–7 PM
- ✓ 11 stops between Stearns Wharf and Victoria St.
- ✓ 700 average weekly riders (~175/day), locals and visitors (avg <100 riders/day for slowest week)

MTD Downtown - Waterfront Shuttle

- ✓ Electric shuttle vehicles operate every 20 minutes, Fri–Sun, 10AM– 6PM
- ✓ Various stops include SB City College, Stearns Wharf, SB Zoo, Amtrak Station, Library, Arlington Theater, and SB County Courthouse
- ✓ Operates May– September on Cabrillo Blvd., State St. (south of Gutierrez), Anacapa St., and Chapala St.



State Street Loop EV shuttle fleet



MTD Downtown - Waterfront shuttle route

Downtown's Future Transit

Public Transit on to State Street

- ✓ 2 transit vehicle loading areas per block
- ✓ Bollard spacing and operations accommodate State Street Loop vehicles, MTD shuttle or other vehicles would not be able to access when bollards are up

Working With Transit Near State Street

- ✓ Combined transit services provide access to State St., Anacapa St., Chapala St., Cabrillo Bl., and nearby destinations
- ✓ MTD service currently summer only, State Street Loop can help connect to Amtrak Station and MTD Transit center in non - summer months
- ✓ Supports accessible mobility for the Santa Barbara community and visitors



Transit services operating in study area

STATE STREET MASTER PLAN

CIVIL ENGINEERING REPORT
APRIL 2026

Stormwater Analysis and Conveyance

Previous Stormwater Analysis

This analysis is based upon and builds upon the previous Create State Appendix C: Technical Report Stormwater & Utilities (CSAC)

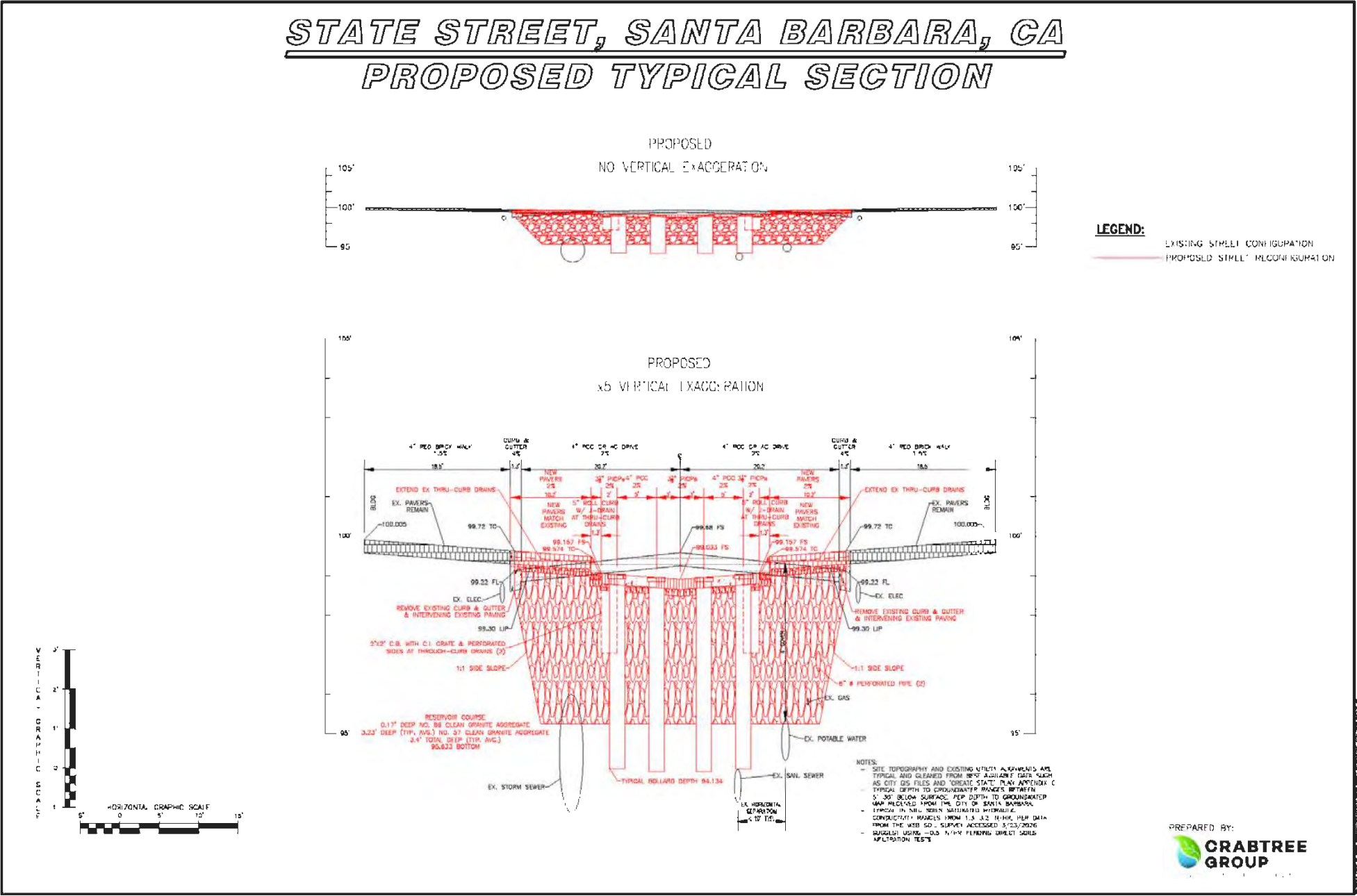
Water quality Volume goal

The CSAC provided an Existing Conditions and Impact Analysis. The present study aims to provide the entire Scenario 3 Stormwater Quality Volume. “Scenario 3: Capturing stormwater that falls on State Street plus both tributary areas (cross streets and adjacent buildings/parcels).” This represents a scenario where the entire tributary area is managed within the State Street right-of-way. This would relieve all of the properties within the project area from providing individual BMPs on their project sites, which could unlock significant development potential. TOTAL CUMULATIVE WQ VOLUME: 294,777 CU.FT

This stormwater analysis focuses on managing storm water from State Street, nearby cross streets, and adjacent buildings within the State Street right-of-way. By oversizing stormwater measures on State Street, individual redeveloped properties in the area would no longer need to construct their own stormwater systems, thus supporting development opportunities along State Street. In order to support this “off-site compliance,” the total storm water volume that needs to be managed is 300,000 cubic [EM1.1][PC1.2]feet. To handle this volume, the proposal suggests permeable pavers along the entire project length. These pavers sit on a gravel base layer that may provide storage space for the required stormwater volume. The system is designed to absorb water quickly. Permeable pavers typically allow water to infiltrate over 100 inches per hour through the pavers themselves. It can handle runoff from surrounding development, absorbing a 1.0” rainfall event occurring [EM2.1][PC2.2][PC2.3]within one hour, which is the upper end of rainfall intensities in Santa Barbara[EM3.1][PC3.2]. The soil beneath the pavers and gravel subsequently absorbs the stored water, making space for subsequent storms. Additional block-by-block analysis will be conducted to maximize the feasibility of an expanded stormwater system as part of the State Street Master Plan. In steeper blocks, bioretention planters and other underground storage solutions may be required to achieve the desired capacity.

Hydraulic Capacity/Conveyance of Street Section at the Surface:

The hydraulic capacity of the street section must be not less than the present hydraulic capacity. The typical existing cross-sectional flow area is 28.0 square feet while the proposed inverted crown section provides 34.6 square feet of cross-sectional drainage area. As well, the reservoir course can be hydraulically connected to the existing stormwater inlet boxes and culverts to utilize that pipe capacity.



Stormwater Section (x5 Vertical Exaggeration) The proposed street design improves drainage capacity, and ties into existing storm drains to enhance conveyance of large storms. Overall, the proposed design manages stormwater within the street, boosts drainage performance, reduces the need for individual private storm water compliance systems, and helps water soak into the ground. The inverted crown profile of the street continues through intersections. ([EM4.1][PC4.2]1) The proposed roll curb ends at the beginning of the curb return. (2) The road profile changes to match the cross street’s drainage pattern, and this change happens behind the permeable pavers and across the crosswalk area. (3) The existing cross pan gutters and spandrels are replaced with a new street shape that continues through intersections and gradually changes behind the permeable pavers.

Product Specifications

Through-curb Drains

Through-curb drains from adjacent buildings are common throughout the corridor. With the removal of existing curb and gutter, those pipes can be extended to the new roll curb utilizing a special form for this purpose.

Automatic Retractable Bollards

The flexible nature of the design will be benefitted by the use of automatic retractable bollards, which typically operate as follows:

Primary Operating Mechanisms

The movement is powered by one of these main drive systems:

- **Hydraulic**: The most common for high-performance and crash-rated applications. A hydraulic power unit (pump and fluid reservoir, often external) pressurizes incompressible fluid (oil) to extend or retract a piston/cylinder connected to the bollard shaft. This provides strong lifting force, reliability, and impact resistance (e.g., suitable for stopping vehicles). Operation is smooth and fast (typically 3–6 seconds to raise/lower).
- **Pneumatic**: Uses compressed air from a compressor and valves to drive the piston. It's quieter, often faster in some setups, and suitable for lower-impact or frequent-use scenarios (e.g., pedestrian zones). Less force than hydraulic but adequate for many urban applications.
- **Electromechanical/Electric**: Driven by an electric motor that turns gears or a screw mechanism to move the piston. Simpler in some designs, with options for battery backup, but generally less robust for heavy-duty security compared to hydraulic.
- **Semi-automatic/Manual variants**: Use gas springs or counterweights for assisted manual lifting (not fully powered), though true retractable systems are usually automatic.

A built-in locking mechanism (mechanical or electronic) secures the bollard in the raised or lowered position to prevent tampering or unintended movement.

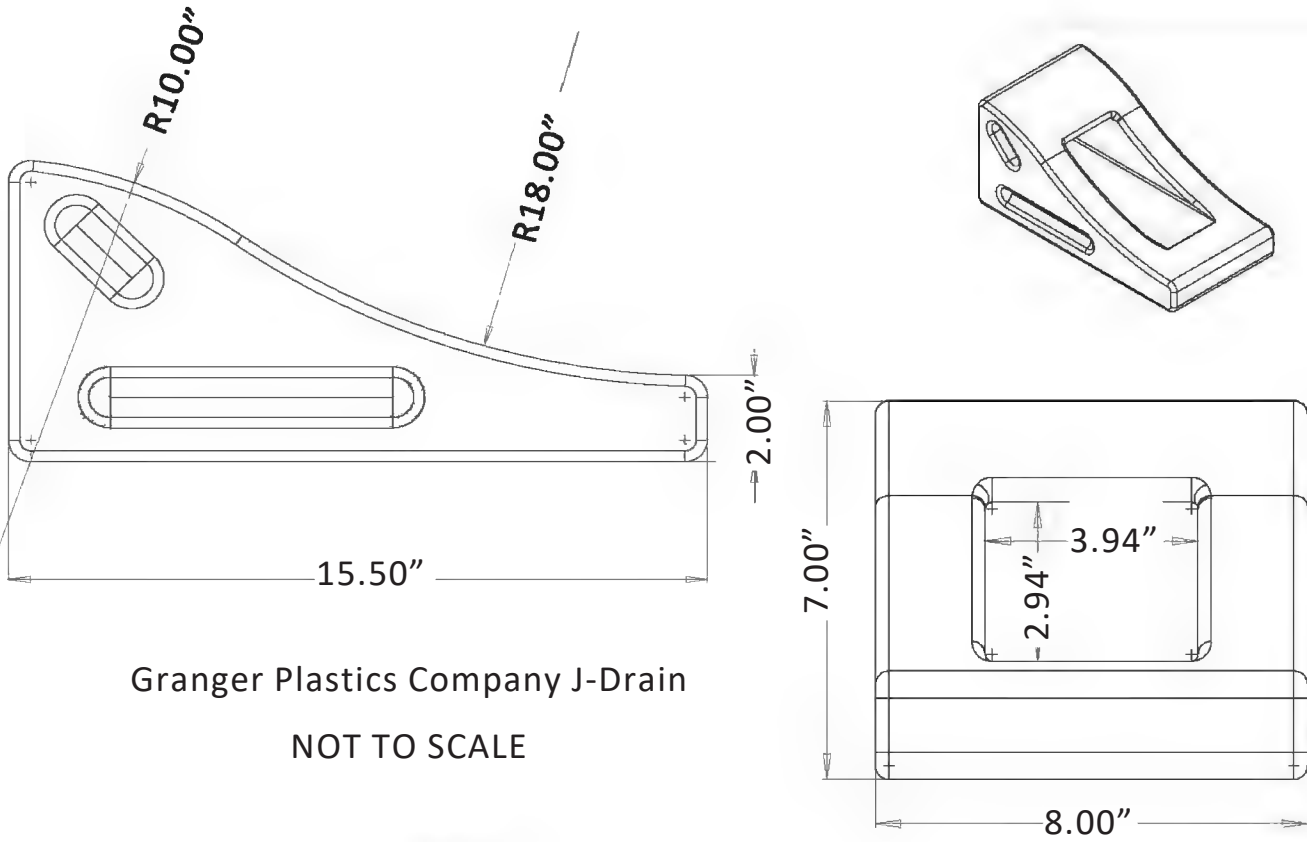
Control Methods

Retractable bollards are rarely manual in automatic setups; instead, they integrate with control systems for remote or automated operation. Common methods include:

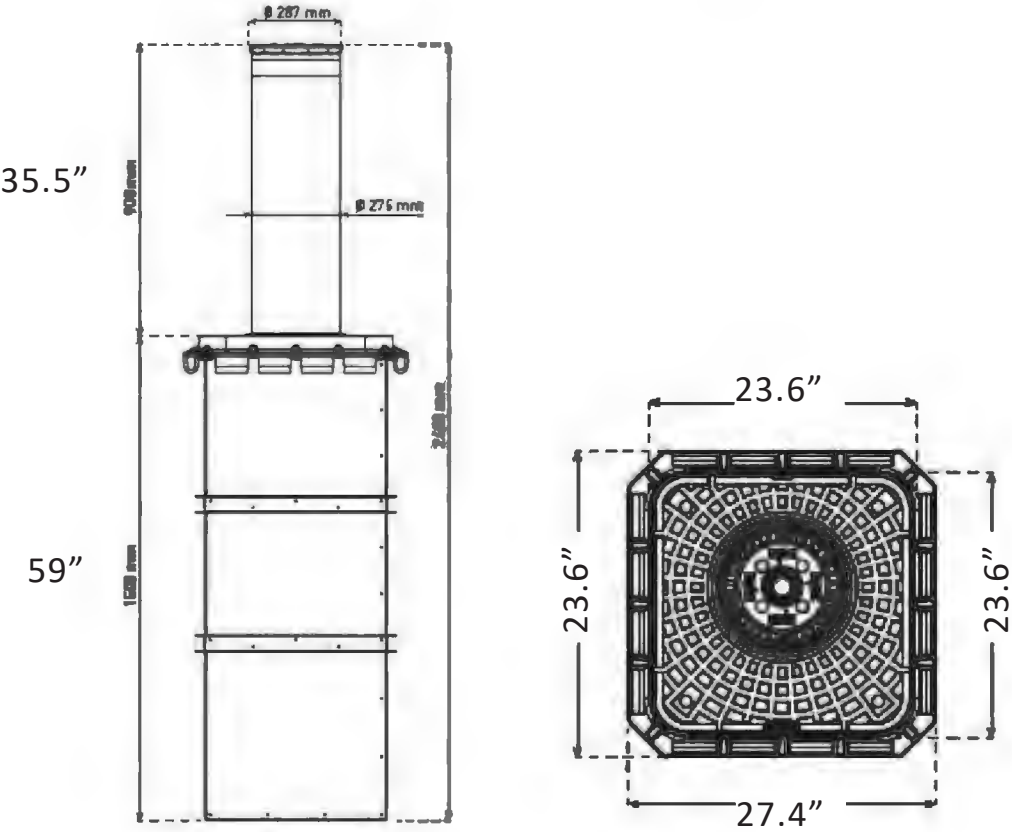
- **Remote control** — Handheld fob, keyfob, or wireless transmitter (range often 30 meters) for authorized users (e.g., security personnel, delivery drivers).
- **Access control integration** — Keypad, card reader (RFID/proximity), biometric scanner, intercom, or license plate recognition (LPR/ANPR) system. A signal triggers the control unit (often a programmable logic controller or PLC).
- **Mobile app** — Many modern systems support Bluetooth or internet-connected apps for smartphone control, especially in smart city or commercial setups. This allows remote monitoring, scheduling, and operation from anywhere.
- **Timer/scheduling** — Programmed via the control panel or software to raise/lower automatically at set times (e.g., pedestrian-only during evenings/weekends, vehicle access during business hours or deliveries).
- **Button/push-button panel** — On-site control station (e.g., guard booth or wall-mounted) for manual override.
- **Integration with other systems** — Linked to barriers, gates, loop detectors (for vehicle detection), emergency overrides, or central security software for coordinated operation.
- **Fail-safe features** — In power outages, many default to lowered (for emergency access) or raised (for security), with manual override options (e.g., key or hand pump).

Operation is typically initiated by sending a signal to the control system, which activates the power unit to move the piston and bollard. Cycle times are quick (seconds), and systems often include safety sensors (e.g., to detect obstacles) and audible/visual alerts.

These systems are widely used in pedestrian malls, plazas, event spaces, and secure perimeters because they balance security with usability—e.g., raised for protection during crowds or events, lowered for normal traffic. Specific brands/models (e.g., from manufacturers like Delta Scientific, Reliance Foundry, or international suppliers) vary in exact features, but the principles remain consistent across hydraulic/pneumatic/electric types.



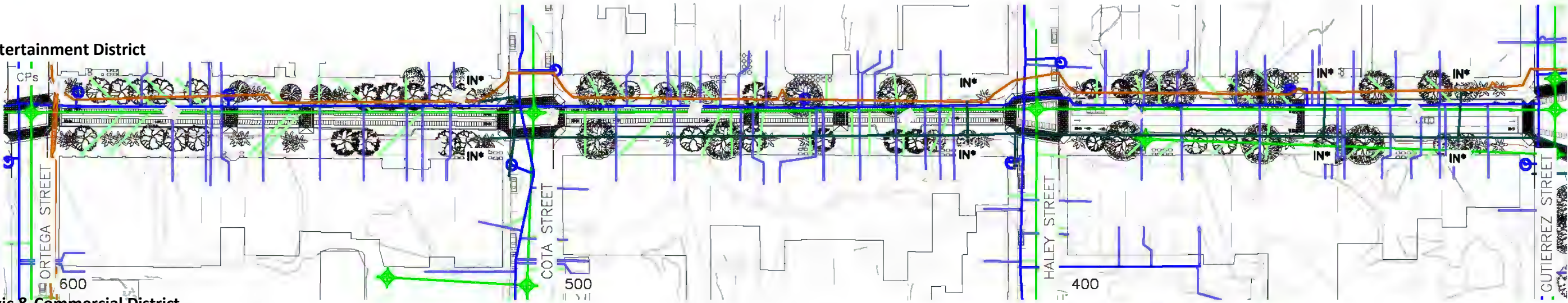
Granger Plastics Company J-Drain
NOT TO SCALE



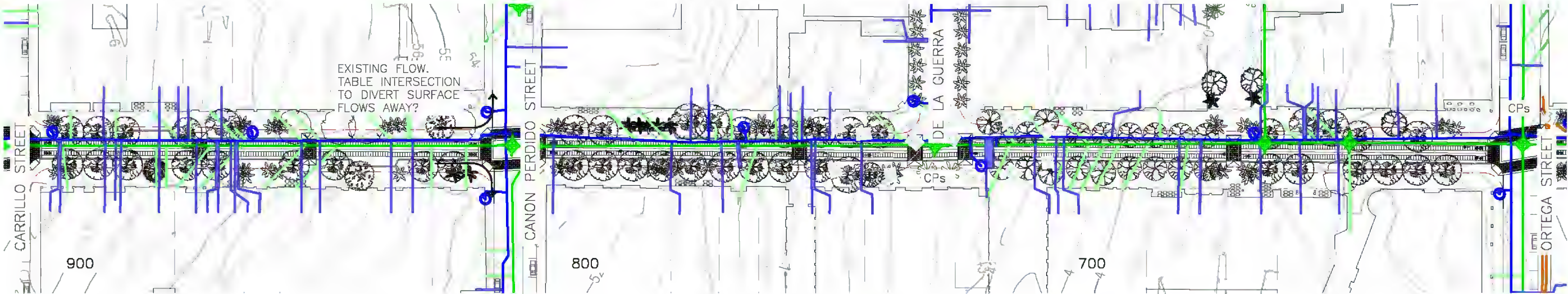
Barrier1 Systems Nautilus C730 Automatic
Retractable Bollards
NOT TO SCALE

Existing Utilities

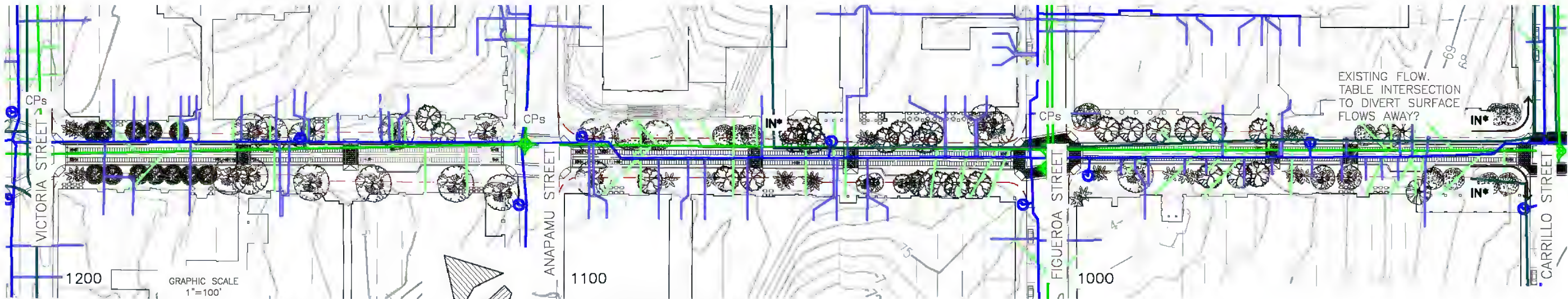
Entertainment District



Civic & Commercial District



Arts District



- CPs: EXISTING CROSS PAN
- IN*: PERFORATE SIDES AND BOTTOM OF INLET BOX, FILL WITH NO. 57 AGGREGATE, REMOVE CURB INLET, COVER WITH PAVERS.
- SEE LEGEND NEXT SHEET.

Entertainment District

Entertainment District Drainage:

The lower segment of the project area (below Ortega Street, which has cross gutters) has storm drain inlets and pipes. The proposed inverted crown section with pervious pavers as inlet devices will extend through intersections, replacing inlets and gutters. The reservoir course at this District shall connect to the existing storm drain boxes and/or culverts.

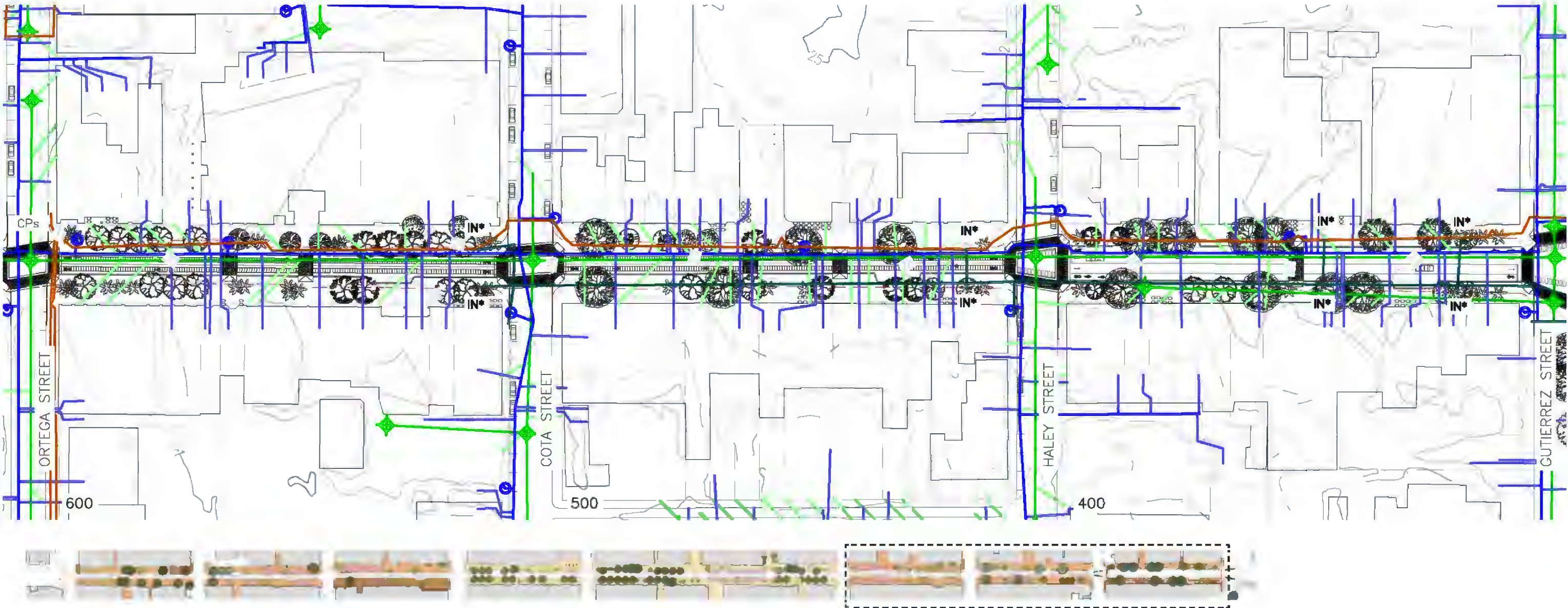
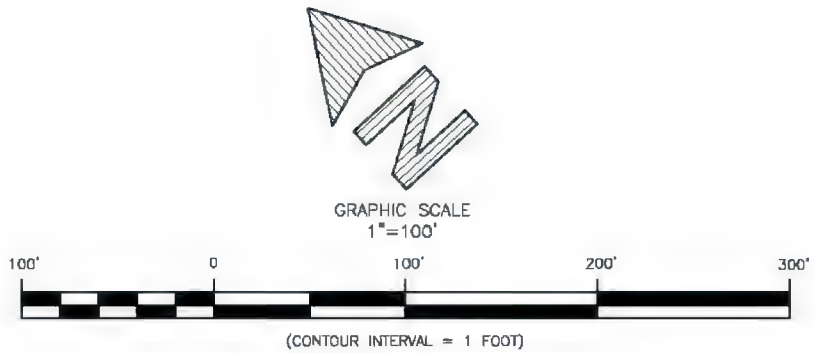
An option that addresses potential utility conflicts and/or replaces aging utilities should also be considered for all corridor segments.

LEGEND

- EXISTING EDGE OF PAVEMENT
- EXISTING MAJOR CONTOUR (5')
- EXISTING MINOR CONTOUR (1')
- EXISTING LOT LINES
- EXISTING ROW
- EXISTING LOT BUILDING FOOTPRINT
- EXISTING WATER MAIN
- EXISTING SANITARY SEWER MAIN
- EXISTING FIBER OPTIC CABLE
- EXISTING WATER LATERAL
- EXISTING SANITARY SEWER LATERAL
- EXISTING FIRE HYDRANT
- EXISTING SANITARY SEWER LATERAL
- EXISTING ABANDONED WATER MAIN
- EXISTING ABANDONED WATER LATERAL
- EXISTING STORM DRAIN PIPE
- EXISTING CROSS PANS

NOTES:

- EXISTING EDGE OF PAVEMENT AND CONTOURS RECEIVED FROM MOULE & POLYZOIDES ON 01/2026.
- EXISTING UTILITY LOCATION DATA RECEIVED FROM THE CITY OF SANTA BARBARA ON 3/16/2026.
- IN*: PERFORATE SIDES AND BOTTOM OF EXISTING INLET BOX, FILL WITH NO. 57 AGGREGATE, REMOVE CURB INLET, COVER WITH PAVERS.



Entertainment District

Entertainment District - Block Plan

Entertainment District Drainage:

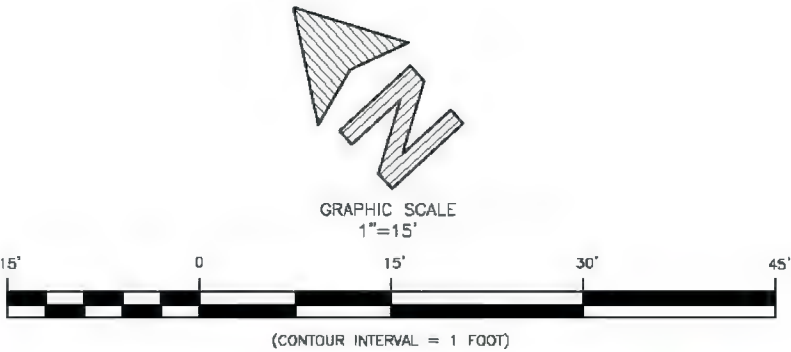
The inverted crown section carries through the intersections as illustrated. The proposed roll curb ends at the beginning of the curb return. The transition from inverted crown section to cross-street crowned section occurs behind the line of the pervious pavers, through and behind the crosswalk. This transition must adhere to ADA crossfalls and ramp guidelines.

LEGEND

- EXISTING EDGE OF PAVEMENT
- EXISTING MAJOR CONTOUR (5')
- EXISTING MINOR CONTOUR (1')
- EXISTING LOT LINES
- EXISTING ROW
- EXISTING LOT BUILDING FOOTPRINT
- EXISTING WATER MAIN
- EXISTING SANITARY SEWER MAIN
- EXISTING FIBER OPTIC CABLE
- EXISTING WATER LATERAL
- EXISTING SANITARY SEWER LATERAL
- EXISTING FIRE HYDRANT
- EXISTING SANITARY SEWER LATERAL
- EXISTING ABANDONED WATER MAIN
- EXISTING ABANDONED WATER LATERAL
- EXISTING STORM DRAIN PIPE
- PROPOSED MAJOR CONTOUR (5')
- PROPOSED MINOR CONTOUR (1')
- CPs EXISTING CROSS PANS

NOTES:

- EXISTING EDGE OF PAVEMENT AND CONTOURS RECEIVED FROM MOULE & POLYZOIDES ON 01/2026.
- EXISTING UTILITY LOCATION DATA RECEIVED FROM THE CITY OF SANTA BARBARA ON 3/16/2026.
- IN*: PERFORATE SIDES AND BOTTOM OF EXISTING INLET BOX, FILL WITH NO. 57 AGGREGATE, REMOVE CURB INLET, COVER WITH PAVERS.
- REMOVE EXISTING CROSS PANS AND RAMPS, REPLACE WITH SIDEWALK PAVERS, NEW RAMPS, PAVING SECTION.



Civil & Commercial District

Civic and Commercial District Drainage:
The typical section prevails through this District with minor if any modification. Surface runoff tends to drain away from State Street at Cabrillo Street and Canon Perdido Street; tabling of the intersections could be considered if that “diversion” is needed.

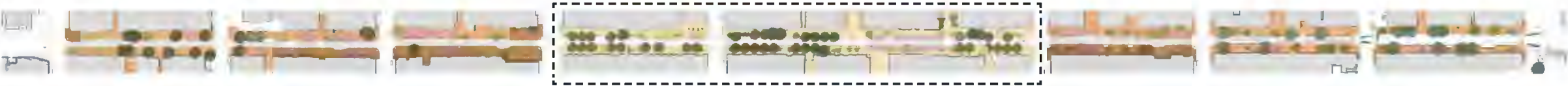
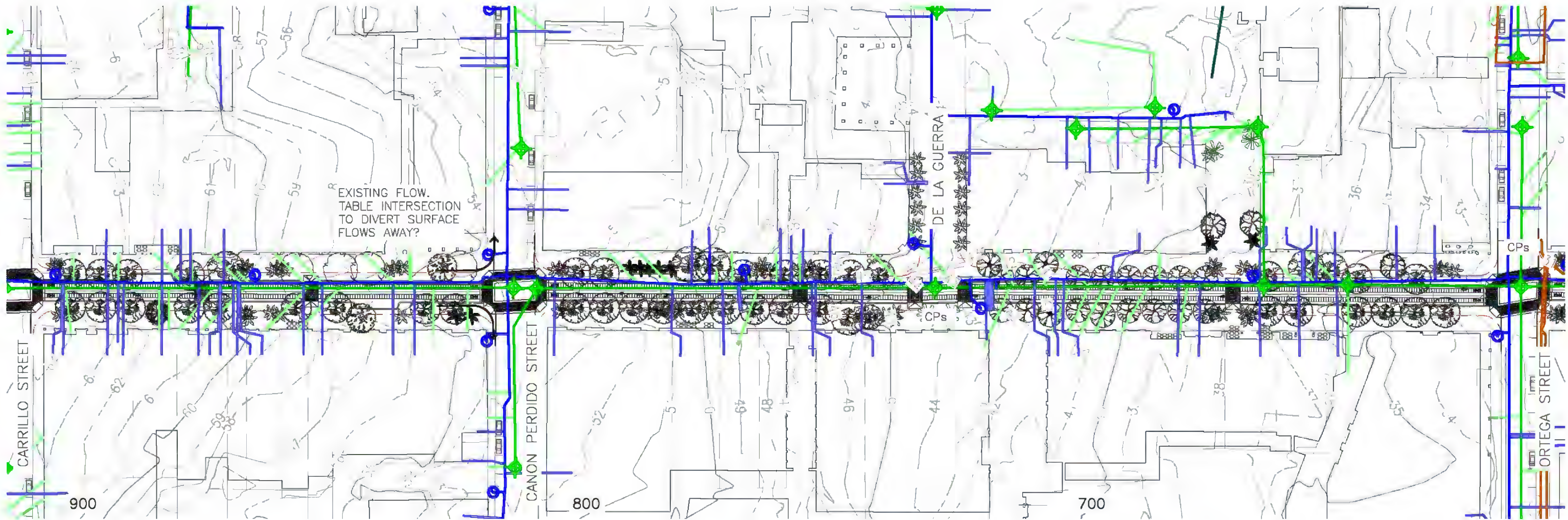
LEGEND

- EXISTING EDGE OF PAVEMENT
- EXISTING MAJOR CONTOUR (5')
- EXISTING MINOR CONTOUR (1')
- EXISTING LOT LINES
- EXISTING ROW
- EXISTING LOT BUILDING FOOTPRINT
- EXISTING WATER MAIN
- EXISTING SANITARY SEWER MAIN
- EXISTING FIBER OPTIC CABLE
- EXISTING WATER LATERAL
- EXISTING SANITARY SEWER LATERAL
- EXISTING FIRE HYDRANT
- EXISTING SANITARY SEWER LATERAL
- EXISTING ABANDONED WATER MAIN
- EXISTING ABANDONED WATER LATERAL
- EXISTING STORM DRAIN PIPE
- EXISTING CROSS PANS

NOTES:

- EXISTING EDGE OF PAVEMENT AND CONTOURS RECEIVED FROM MOULE & POLYZOIDES ON 01/2026.
- EXISTING UTILITY LOCATION DATA RECEIVED FROM THE CITY OF SANTA BARBARA ON 3/16/2026.
- IN*: PERFORATE SIDES AND BOTTOM OF EXISTING INLET BOX, FILL WITH NO. 57 AGGREGATE, REMOVE CURB INLET, COVER WITH PAVERS.

CPs



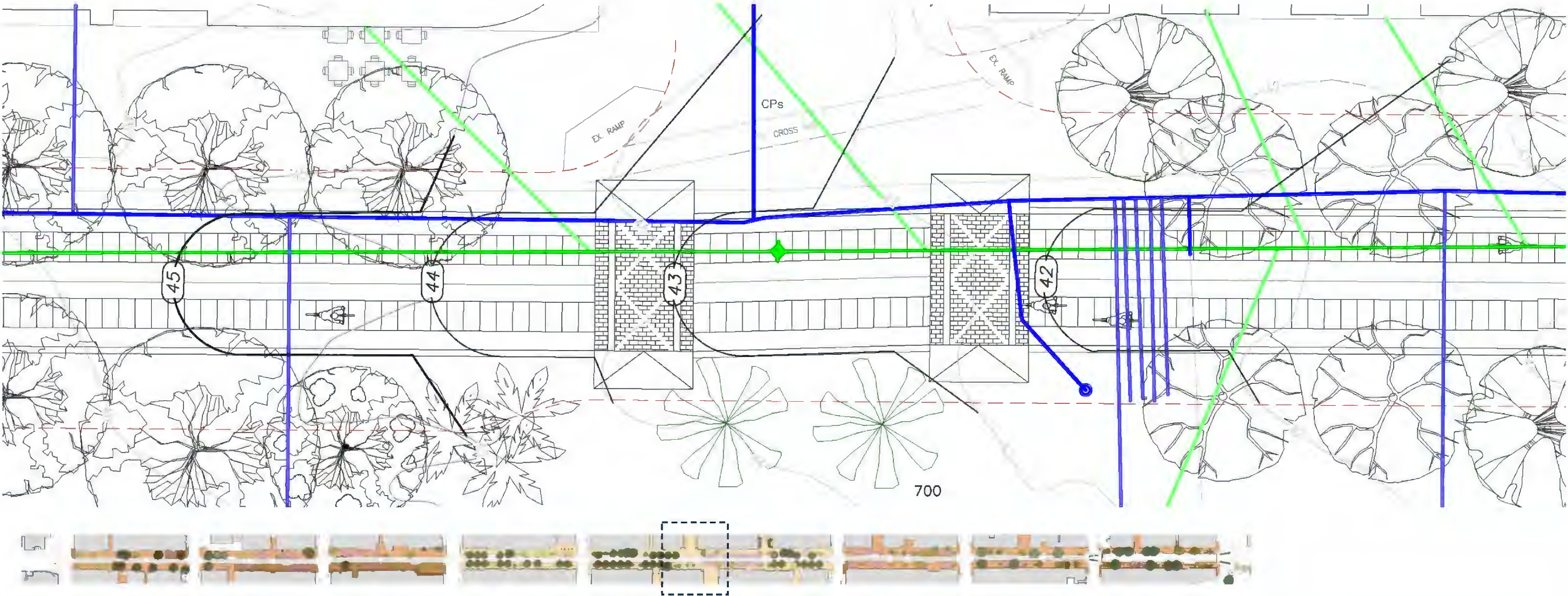
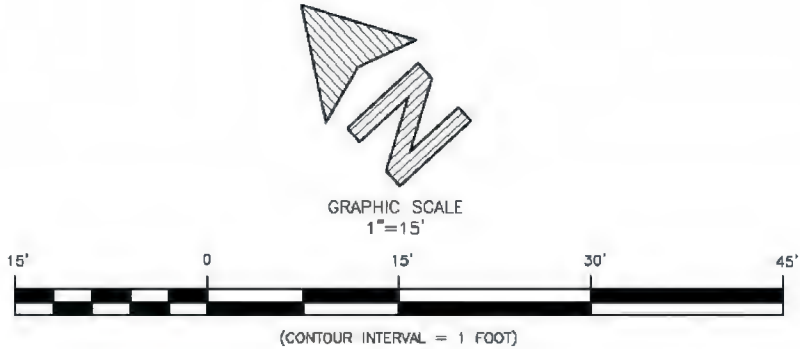
Civil & Commercial District

Civic & Commerical District - Block Plan

Civic and Commercial District Drainage:
The cross pan gutters and spandrels are replaced with the inverted crown section that passes through the intersections, and transitions occur behind the pervious pavers.

LEGEND	
	EXISTING EDGE OF PAVEMENT
	EXISTING MAJOR CONTOUR (5')
	EXISTING MINOR CONTOUR (1')
	EXISTING LOT LINES
	EXISTING ROW
	EXISTING LOT BUILDING
	FOOTPRINT
	EXISTING WATER MAIN
	EXISTING SANITARY SEWER MAIN
	EXISTING FIBER OPTIC CABLE
	EXISTING WATER LATERAL
	EXISTING SANITARY SEWER LATERAL
	EXISTING FIRE HYDRANT
	EXISTING SANITARY SEWER LATERAL
	EXISTING ABANDONED WATER MAIN
	EXISTING ABANDONED WATER LATERAL
	EXISTING STORM DRAIN PIPE
	PROPOSED MAJOR CONTOUR (5')
	PROPOSED MINOR CONTOUR (1')
	EXISTING CROSS PANS

- NOTES:**
- EXISTING EDGE OF PAVEMENT AND CONTOURS RECEIVED FROM MOULE & POLYZOIDES ON 01/2026.
 - EXISTING UTILITY LOCATION DATA RECEIVED FROM THE CITY OF SANTA BARBARA ON 3/16/2026.
 - IN*: PERFORATE SIDES AND BOTTOM OF EXISTING INLET BOX, FILL WITH NO. 57 AGGREGATE, REMOVE CURB INLET, COVER WITH PAVERS.
 - REMOVE EXISTING CROSS PANS AND RAMPS, REPLACE WITH SIDEWALK PAVERS, NEW RAMPS, PAVING SECTION.



Arts District

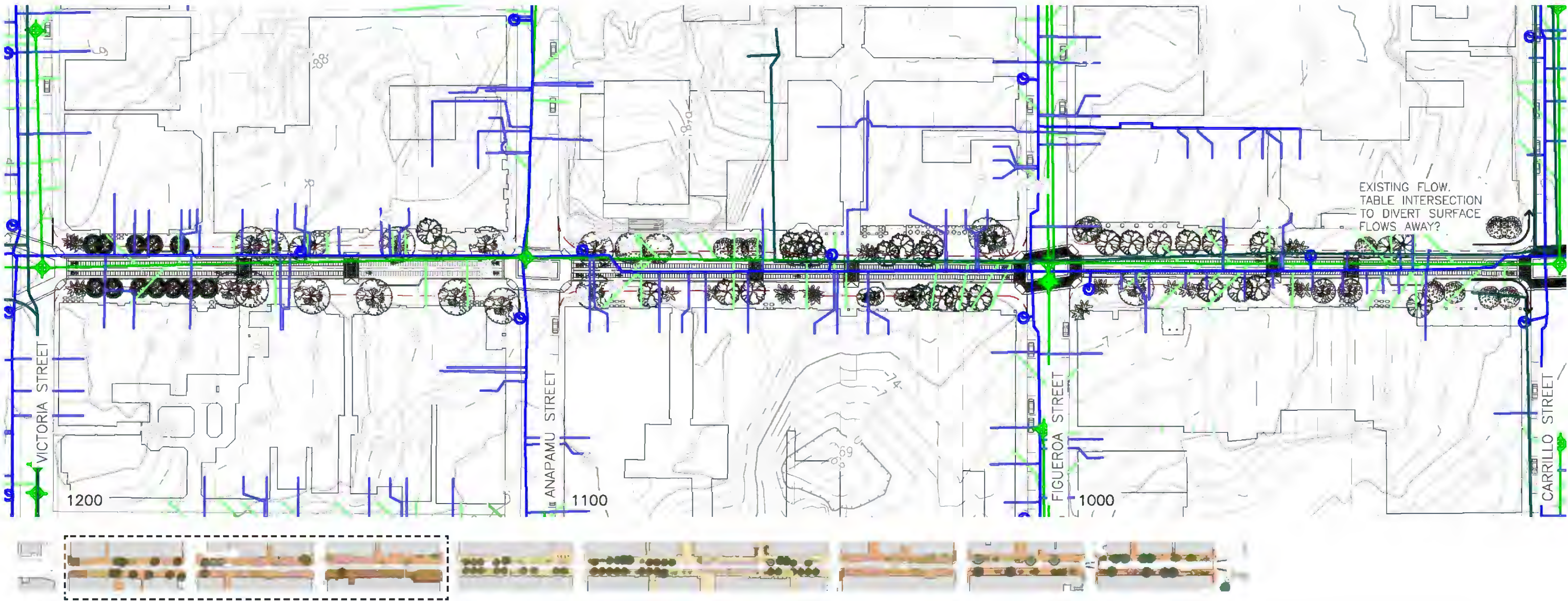
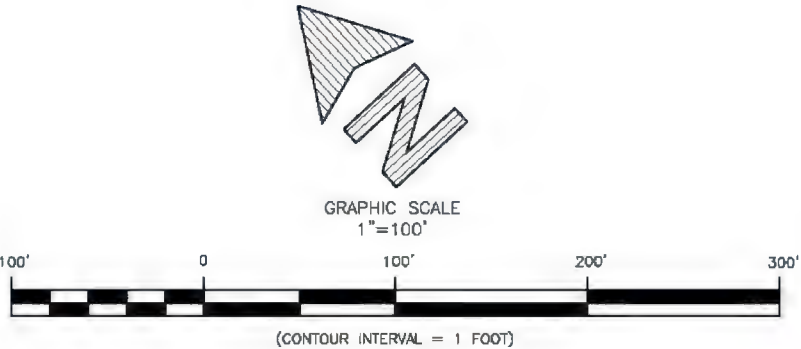
Arts District Drainage:
The Civil Engineering treatment in the Arts District mimics that of the lower Districts.

LEGEND

- EXISTING EDGE OF PAVEMENT
- EXISTING MAJOR CONTOUR (5')
- EXISTING MINOR CONTOUR (1')
- EXISTING LOT LINES
- EXISTING ROW
- EXISTING LOT BUILDING FOOTPRINT
- EXISTING WATER MAIN
- EXISTING SANITARY SEWER MAIN
- EXISTING FIBER OPTIC CABLE
- EXISTING WATER LATERAL
- EXISTING SANITARY SEWER LATERAL
- EXISTING FIRE HYDRANT
- EXISTING SANITARY SEWER LATERAL
- EXISTING ABANDONED WATER MAIN
- EXISTING ABANDONED WATER LATERAL
- EXISTING STORM DRAIN PIPE

NOTES:

- EXISTING EDGE OF PAVEMENT AND CONTOURS RECEIVED FROM MOULE & POLYZOIDES ON 01/2026.
- EXISTING UTILITY LOCATION DATA RECEIVED FROM THE CITY OF SANTA BARBARA ON 3/16/2026.



Arts District

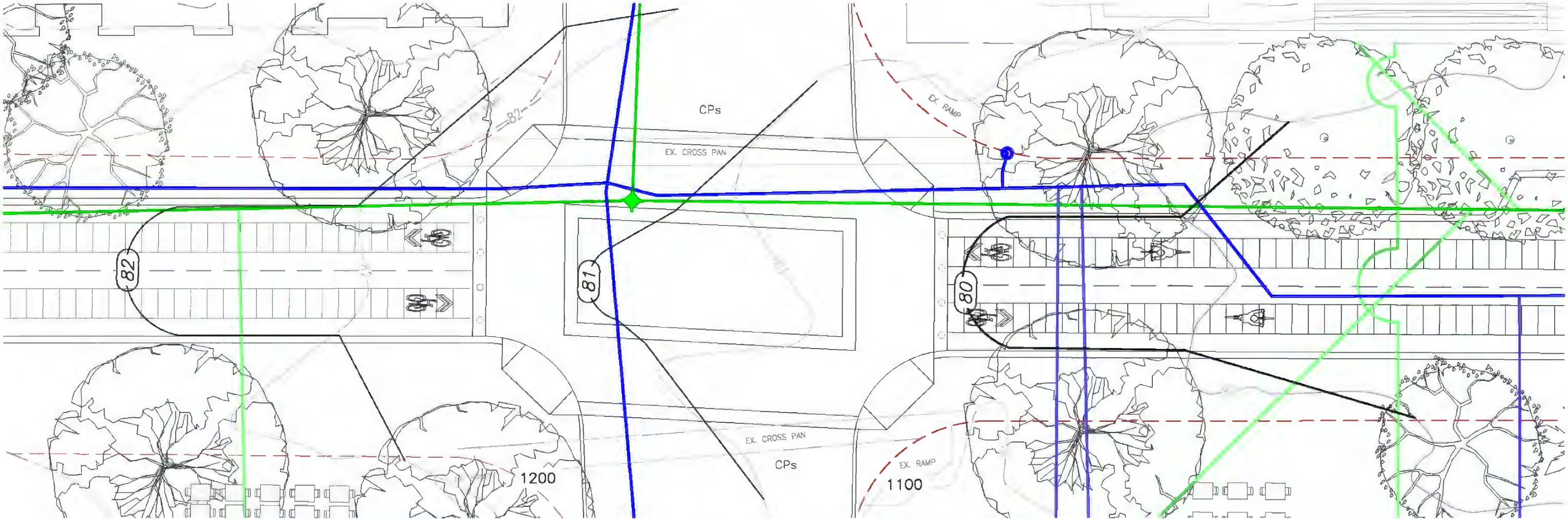
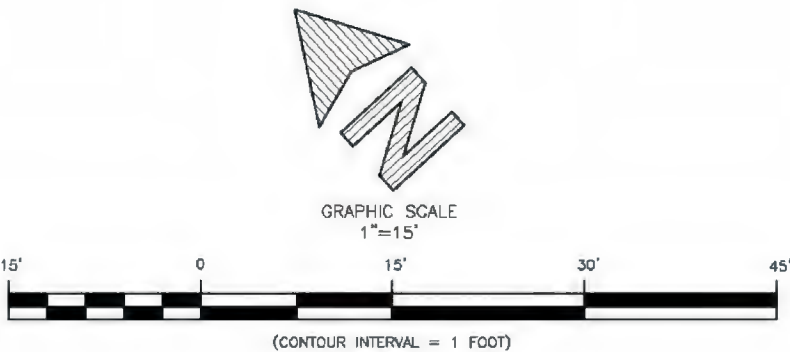
Arts District - Block Plan

Art District Drainage:

The Civil Engineering treatment in the Arts District mimics that of the lower Districts.

LEGEND	
	EXISTING EDGE OF PAVEMENT
	EXISTING MAJOR CONTOUR (5')
	EXISTING MINOR CONTOUR (1')
	EXISTING LOT LINES
	EXISTING ROW
	EXISTING LOT BUILDING
	EXISTING WATER MAIN
	EXISTING SANITARY SEWER MAIN
	EXISTING FIBER OPTIC CABLE
	EXISTING WATER LATERAL
	EXISTING SANITARY SEWER LATERAL
	EXISTING FIRE HYDRANT
	EXISTING SANITARY SEWER LATERAL
	EXISTING ABANDONED WATER MAIN
	EXISTING ABANDONED WATER LATERAL
	EXISTING STORM DRAIN PIPE
	PROPOSED MAJOR CONTOUR (5')
	PROPOSED MINOR CONTOUR (1')
	EXISTING CROSS PANS

- NOTES:
- EXISTING EDGE OF PAVEMENT AND CONTOURS RECEIVED FROM MOULE & POLYZOIDES ON 01/2026.
 - EXISTING UTILITY LOCATION DATA RECEIVED FROM THE CITY OF SANTA BARBARA ON 3/16/2026.
 - IN*: PERFORATE SIDES AND BOTTOM OF EXISTING INLET BOX, FILL WITH NO. 57 AGGREGATE, REMOVE CURB INLET, COVER WITH PAVERS.
 - REMOVE EXISTING CROSS PANS AND RAMPS, REPLACE WITH SIDEWALK PAVERS, NEW RAMPS, PAVING SECTION.

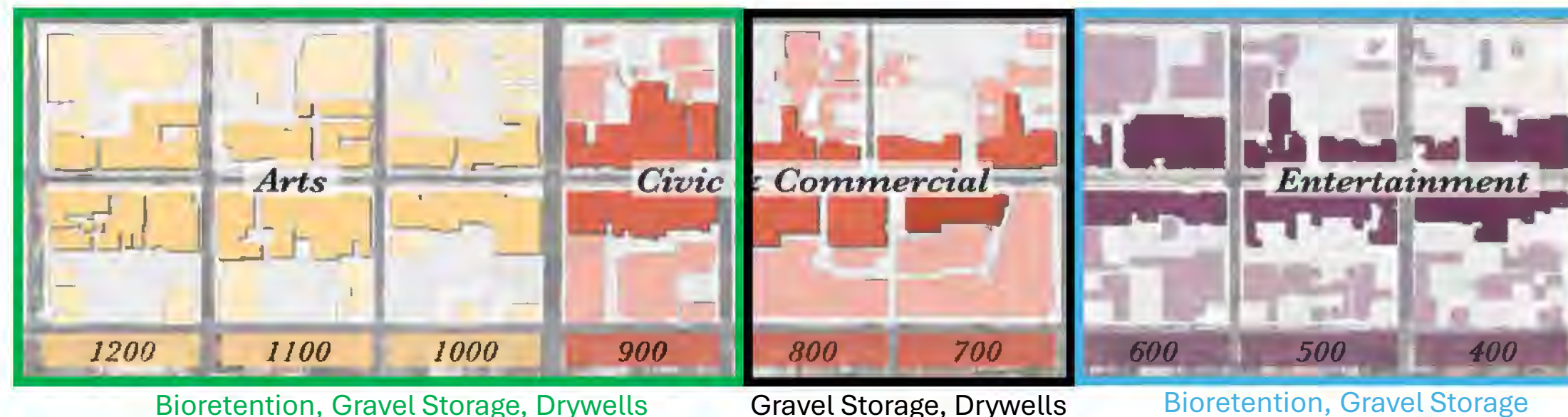


Stormwater Retention Alternatives Analysis

The City of Santa Barbara is evaluating stormwater retention projects within the 400- to 1200-blocks of the State Street Master Plan (SSMP) corridor. The goal is to identify feasible project alternatives that provide meaningful water quality benefits and an enhanced pedestrian environment, while generating post-construction stormwater retention credits for sale to adjacent redevelopment projects.

A screening-level alternatives analysis of stormwater retention projects was conducted to:

1. Determine beneficial and appropriate project types for each block (see figure below);
2. Identify feasible project locations based on implementation constraints and SSMP design criteria and delineate the drainage area to State Street;
3. Compare alternatives performance against the Tier 4 retention requirements of the Santa Barbara BMP Guidance Manual; and
4. Develop initial planning-level cost estimates for project construction on a representative block (the 1200 block).



Applicable stormwater project types were selected for analysis based on the intended SSMP design. The 700-800 block was limited to subsurface practices to preserve flexible surface space for pedestrian circulation, public gatherings, and events. In the 400-600 and 900-1200, sidewalk level space allows for the potential use of wide bioretention facilities.



Beneficial and Applicable Stormwater Retention Types

Bioretention Facilities are landscaped depressions designed to capture, temporarily store, and infiltrate stormwater runoff from streets, sidewalks, and adjacent rooftops. These systems offer flexible sizing and configuration options that can be integrated into public spaces as landscape features. Bioretention provides the greatest visible public benefit because it contributes to the landscaping and pedestrian experience envisioned in the State Street Master Plan.

Drywells are subsurface infiltration structures designed to capture and infiltrate runoff in deep holes in the ground. Runoff may enter directly from roof downspouts and curb inlets, through storm drain diversions, or from overflow structures connected to upstream bioretention facilities. Drywells are typically installed beneath roadway areas or parking zones where surface space is limited. Deeper infiltration testing conducted near the project site measured infiltration rates ranging from approximately 0.5 to 1.33 inches per hour, supporting drywell feasibility in the upper portions of the corridor. The analysis found that drywells are feasible within the 1200 to 800 block areas, based on sufficient separation (greater than 10 foot) from recorded high groundwater levels.

Pavers and Gravel Storage consists of a permeable pavement surface underlain by a gravel reservoir that temporarily stores stormwater runoff prior to infiltration into surrounding soils. Surface runoff infiltrates through paver joints and is stored within the void space of the underlying aggregate layer. Along State Street, the concept includes grading modifications that direct surface runoff toward the paved infiltration areas and curb drains that convey runoff from adjacent building roof tops onto the travel lane and through the paver. Gravel storage depth is governed by local infiltration rates (estimated at 0.19 inches per hour) and sufficient separation from groundwater depth (greater than 5 feet).



- Bioretention facilities** provide multiple benefits, including:
- Reduction of stormwater runoff volume.
 - Removal of sediment, trash, nutrients, metals, and other pollutants through filtration and biological processes.
 - Enhanced streetscape aesthetics.
 - Increased urban greening and opportunities for shade to mitigate urban heat.
 - Potential support for habitat, pollinators, and urban biodiversity.

- Drywells** offer several advantages:
- Large runoff capture volume within a relatively small footprint.
 - Minimal impact on pedestrian circulation and surface land uses.
 - Ability to access deeper soils with improved infiltration characteristics.
 - Integrated pre-treatment system for ease of maintenance and to extend service life.
 - Flexible integration within transportation corridors.



- Key benefits of **permeable pavers with gravel storage** include:
- Large subsurface storage volume.
 - Minimal reduction in pedestrian or public space.
 - Ability to integrate directly into streetscape improvements.
 - Light shaded permeable pavers reflect sunlight, reducing urban heat effect.

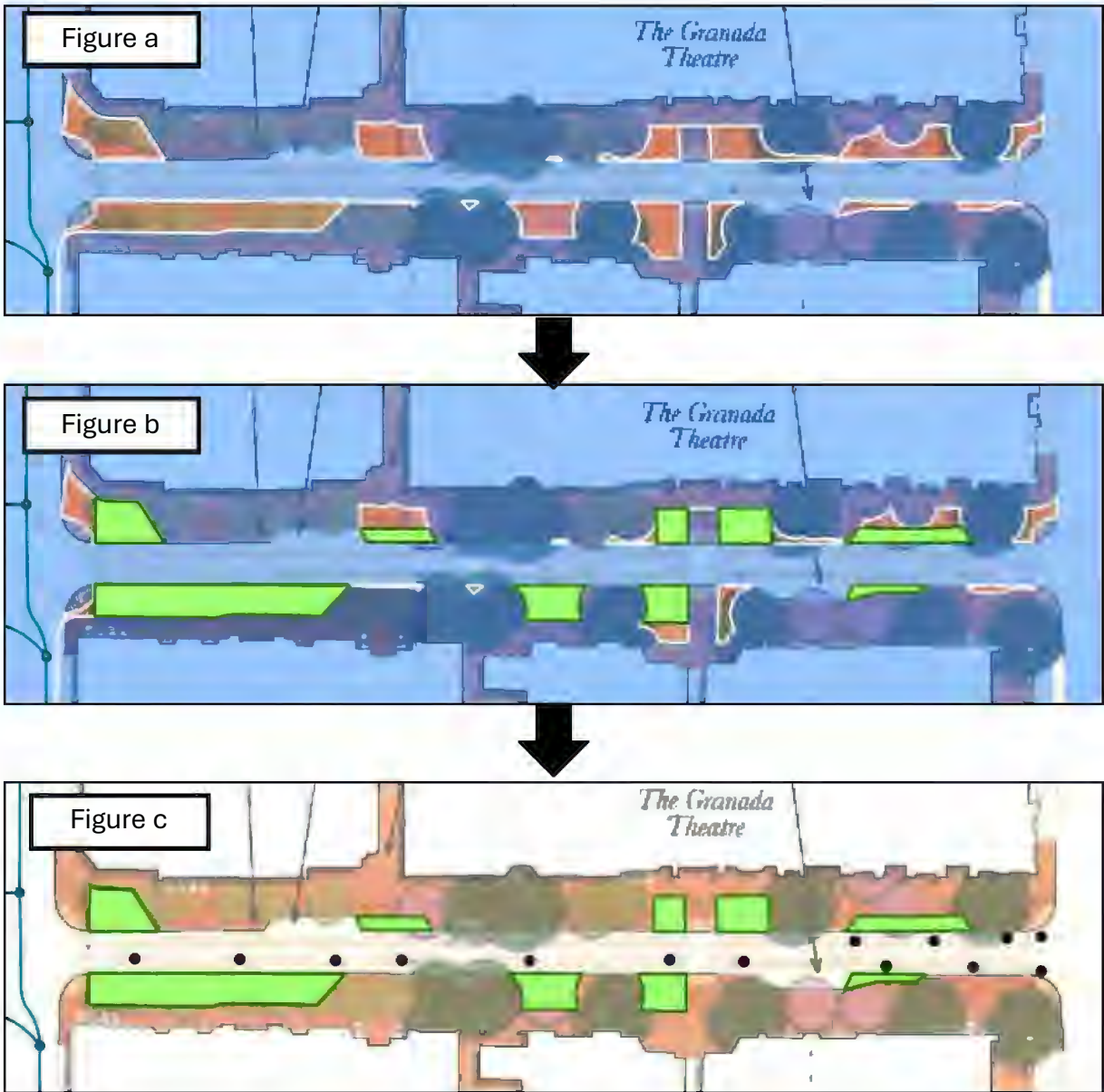
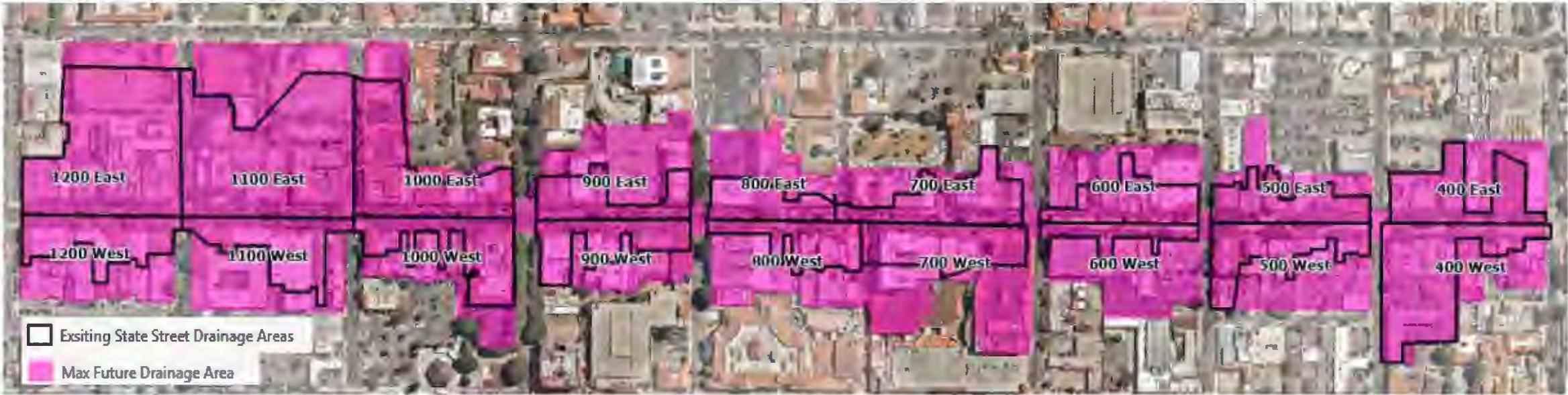
Feasibility Screening and Drainage Area Delineation

A GIS-based screening process was conducted to identify feasible bioretention and drywell locations while avoiding conflicts with existing infrastructure and planned State Street improvements. Key screening criteria included:

- Minimum setbacks from buildings and basements
- Groundwater separation requirements
- Utility clearance requirements
- Preservation of notable trees
- Preservation of restaurant frontage areas
- Protection of pedestrian- and ADA-accessible routes
- Preservation of transit operations and loading areas
- Maintaining access through paseo connections
- Preservation of planned bollard location
- Clearance for pedestrian ramps at the intersections

The screening process first identified exclusion areas where project installation would not be feasible (Figure a). The remaining available space was then evaluated for the implementation of either bioretention facilities (within the furnishing and curb zones of the SSMP) or drywells (within the travel lanes of the SSMP). The project footprints were refined based on engineering judgment and operational considerations (Figure b). This approach identifies potential bioretention and drywell implementation areas (Figure c) while maintaining flexibility for future design refinements.

A detailed delineation of the drainage area to each block of State Street (shown in black outline) was conducted using topographic data, aerial imagery, site walks during storm events, and field downspout and roof-line mapping. Future development of State Street could result in the redirection of additional parcel runoff towards State Street (33-172% more runoff volume per block) (shown in purple).



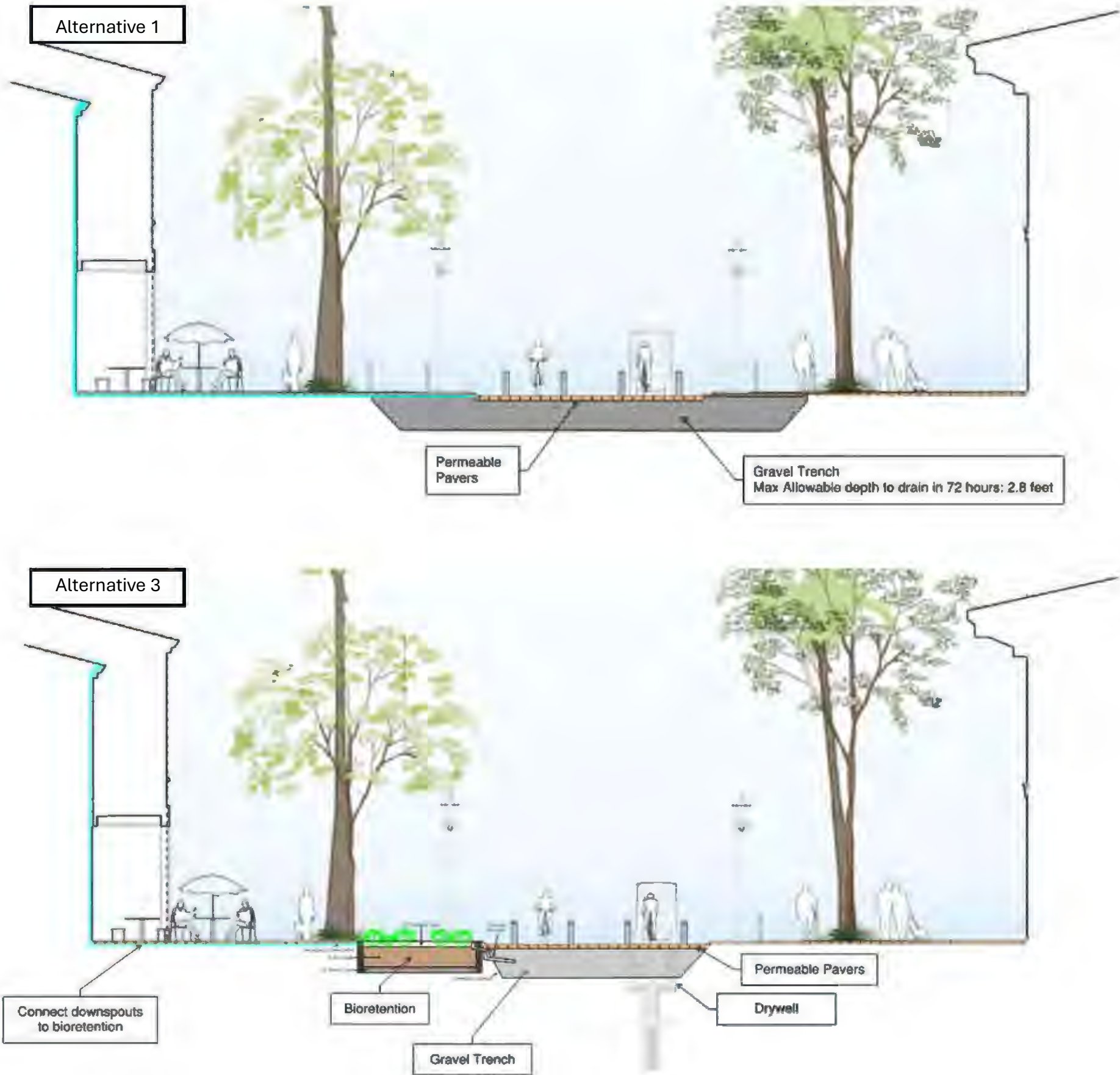
Comparison of Stormwater Alternatives

Three stormwater project alternatives were developed to provide stormwater retention benefits and support a future stormwater credit generation program, but each differs in storage capacity, cost, maintenance requirements, and community benefits.

Alternative 1 consists of 20 feet of permeable pavers in the travel lane underlain by 40 feet of a gravel storage reservoir for the full length of the block. This approach maximizes subsurface storage while minimizing impacts to pedestrian space and surface uses. The gravel storage was split into 50-foot sections running end to end down each block to account for existing slope of state street. The lower end of each section has a gravel storage depth equal to the maximum allowable ponding depth determined by either maintaining five feet of separation from high groundwater levels or maintaining a drain time within 72 hours, whichever is smaller. The upper end of each section includes the additional gravel depth needed on top of the ponding depth due to the street's slope.

Alternative 2 combines bioretention facilities and drywells. Bioretention provides visible green infrastructure, enhanced pollutant removal, and streetscape improvements, while drywells provide supplemental underground storage and infiltration capacity. This alternative uses the maximum potential area for bioretention facilities and drywells based on the GIS screening.

Alternative 3 incorporates all retention options, including gravel storage, bioretention, and drywells. Gravel storage was assumed to be only installed under the 20 foot wide travel lanes, to maintain space for the bioretention in the furnishing and curb zones. It was assumed that 10 drywells would be installed per block for the 1200-800 blocks and were placed within the gravel storage footprint. This alternative maximizes the use of available space and allows retention options to be adjusted to balance retention performance, cost efficiency, and urban design objectives.



Comparison of Stormwater Alternatives

The three conceptual stormwater project alternatives were evaluated for retention of the 1.2 inch, 24-hour design storm runoff volume from the State Street drainage area for comparison with Santa Barbara BMP Guidance Manual Tier 4 retention requirement (for projects replacing impervious area). Future redevelopment could result in 33-172% more runoff volume per block if parcels are regraded.

Alternatives 1 and 3 capture more than the required Tier 4 (replaced) runoff volume, creating flexibility in how retention is distributed throughout the corridor. Excess capacity allows certain blocks to be scaled back while still meeting runoff capture requirements, or retention options can be strategically overbuilt in downstream blocks to capture runoff from upstream areas. This flexibility enables the mix and sizing of retention BMPs to be optimized on a block-by-block basis to better support SSMP priorities, constructability, maintenance considerations, and streetscape objectives while supporting an offsite stormwater compliance program.

Block	Tier 4 (Replaced) Runoff Volume (cu.ft.)	Alternative 1: Pavers/ Gravel Storage (% of Runoff Volume Captured)	Alternative 2: Bioretention and Drywells (% of Runoff Volume Captured)			Alternative 3: Pavers/Gravel Storage, Bioretention, Drywells (% of Runoff Volume Captured)			
			Bio- retention	Drywells	Total	Gravel Storage	Bio- retention	Drywells	Total
400	14,300	120%	31%	-	32%	60%	31%	-	92%
500	9,700	182%	72%	-	72%	92%	72%	-	164%
600	6,700	167%	191%	-	188%	84%	191%	-	272%
700	10,600	232%	-	-	-	116%	-	-	116%
800	6,900	265%	-	67%	67%	132%	-	67%	199%
900	8,800	252%	155%	72%	226%	126%	155%	67%	348%
1000	14,400	154%	55%	26%	83%	77%	55%	60%	192%
1100	22,100	99%	32%	65%	97%	49%	32%	51%	132%
1200	20,500	106%	24%	83%	107%	53%	24%	80%	157%
Total	114,000	155%	51%	40%	91%	78%	51%	41%	169%

1200 Block Cost Comparison

A line item cost estimate was created for comparison purposes for each alternative on the 1200 block. Alternative 1 has the lowest estimated construction cost, with a cost range of \$6 million to \$10 million (see the table below). The relatively low cost of this alternative reflects the absence of pretreatment systems and landscaping elements. However, permeable pavement systems rely on subsurface gravel storage that is less accessible for maintenance and rehabilitation. In addition, low infiltration rates restrict the long-term effectiveness of the system beyond its available storage volume.

1200 Block: Retention Performance and Costs	Alternative 1: Pavers/Gravel Storage	Alternative 2: Bioretention and Drywells	Alternative 3: All BMPs
Tier 4 (Replaced) Current Conditions Runoff Volume (cu.ft.)	20,500	20,500	20,500
Tier 4 (Replaced) Future Conditions Runoff Volume (cu.ft.)	27,400	27,400	27,400
Total Storage Volume (cu.ft.)	21,800	22,000	32,200
% Current Conditions Captured	106%	107%	157%
% Gravel Storage	100%	-	53%
% Bioretention	-	24%	24%
%Drywell	-	83%	80%
Total Cost (Low)	\$6,300,000	\$7,800,000	\$8,300,000
Total Cost (High, includes contingencies and escalation)	\$10,100,000	\$12,400,000	\$13,200,000
Cost per cu.ft of Runoff Volume Retained(Low)	\$289	\$355	\$258
Cost per cu.ft. of Runoff Volume Retained (High)	\$463	\$564	\$410

Alternative 2 has an estimated cost range of \$8 million to \$12.5 million. The higher cost is associated with bioretention construction, pretreatment facilities, drywell installation, and landscaping improvements. Although more expensive, this alternative provides substantial co-benefits including urban greening and improved aesthetics. Routine maintenance includes vegetation management, sediment removal, pretreatment maintenance, and drywell inspections.

Alternative 3 has the highest construction cost, estimated between \$8 million and \$13.5 million. However, the additional investment results in a larger retention volume while taking advantage of shared project costs such as excavation, utility connections, and stormwater conveyance infrastructure. As a result, Alternative 3 achieves the lowest cost per unit of runoff retention. Maintenance requirements are generally the highest because all BMP types require inspection and upkeep; however, these costs are distributed among infrastructure that provides the greatest overall retention benefit.

Off-site Stormwater Compliance Program

A key benefit of implementing stormwater retention projects along State Street is the potential to support a future off-site stormwater compliance program. Discussions with the Central Coast Water Board (“Water Board”) indicate that off-site compliance may be achievable through either an approved Watershed Plan or an Urban Sustainability Area approach. Both pathways allow retention credits generated by public stormwater retention projects to be used by future redevelopment projects to satisfy post-construction runoff retention requirements.

The City's drainage area analysis identified several potential watershed scales that could support an alternative compliance program. The most conservative approach would utilize areas directly draining to State Street. A broader approach could include portions of the Mission Lagoon watershed, including the Laguna Tidal Drain and Mission Creek subwatersheds. The Water Board indicated that both watershed scales appear viable, although larger watershed areas would require additional technical justification and program structure.

Implementation of gravel storage, bioretention, and drywell projects along State Street provides a strong foundation for such a program because the facilities generate measurable runoff retention benefits while simultaneously advancing broader community objectives including beautification, urban greening, pedestrian improvements, and water quality enhancement. As a result, the proposed stormwater retention alternatives provide both a technically feasible stormwater management strategy and a potential long-term framework for supporting redevelopment through stormwater credit generation.

STATE STREET RETAIL ANALYSIS



STATE STREET RETAIL

Overview

Santa Barbara is situated within a vibrant \$2 billion commercial market—one of the wealthiest and most desirable in California. The region’s 7 million visitors spent over \$2 billion in 2025. Stearns Wharf and State Street are the two most visited tourist attractions. State Street has experienced steady growth in visitors, reaching 1.3 million total visitors in 2025; however, store sales and commercial real estate values remain mixed.

The closures of Macy’s and Nordstrom, the rise of online spending, and the pandemic have transformed downtown from a regional department store destination into a collection of smaller shops, restaurants, and public gathering spaces.

Marshalls, Dollar Tree, REI, 7-Eleven, and World Market are now the five most visited retail stores on State Street. Apple ranks as the downtown’s 18th busiest store. Marshalls alone received 400,000 shoppers in 2025—about 1,100 per day—indicating strong demand for moderately priced brand goods and short, purpose-driven shopping trips.

Small, local boutique stores alone cannot meet the retail needs and preferences of the entire Santa Barbara community or its visitors. Notably, many vacationers prefer shopping at well-known national brands.

State Street property owners cite its closure and uncertain design as primary contributors to declining store sales and commercial property values. In contrast, restaurants have seen sharp increases in sales

since the pandemic and largely credit the street’s closure for their growth.

State Street’s 12 blocks are organized into four specialized districts: the Arts District, Civic Commercial District, Entertainment District, and the Funk Zone. These districts extend into adjacent side streets, making them more square in form rather than strictly linear.

State Street stretches 1.6 miles—a roughly 30-minute uphill walk—from Stearns Wharf to the Arts District. Grocery stores and neighborhood services are located along the parallel streets. Each district offers distinct activities, placemaking opportunities, local and visitor experiences, investment models, and other conditions that should be reflected in street design.

A flexible design approach would further enhance State Street as a cultural, shopping, and gathering place, while allowing for block-by-block management and adjustments in response to changing market trends and community preferences.



STATE STREET RETAIL

Post-Pandemic US Retail Trends

- **Dining & Food Spending**
Mid-level, sit-down chain restaurants are struggling to compete with quick-casual concepts;
Consumer spending is shifting toward grocery stores and at-home meals;
Dollar stores are investing in fresh food and improved quality, though performance is mixed.
- **Retail Real Estate & Development**
Shortage of Class-A retail space due to limited new construction and strong demand from large brick-and-mortar tenants;
Large mixed-use town centers are recovering from pandemic losses, but new construction has largely stalled;
National retailers are targeting small- to mid-sized, well-managed cities (e.g., BID-supported areas) for expansion.
- **Retailer Expansion & Contraction**
National brands are aggressively opening new stores;
Mid-level and luxury department stores are downsizing or closing locations;
Department stores overall are struggling against e-commerce and discount retailers, leading to hundreds of closures.
- **Consumer Behavior Trends**
Shoppers are visiting stores more frequently but spending less time per visit;
Discretionary retail spending remains mixed;
Luxury malls are outperforming, with sales exceeding pre-pandemic levels.
- **Category Performance**
Electronics (phones, computers) have rebounded;
Home furnishings sales are declining;
Suburban warehouse clubs (e.g., Costco, Sam's Club) continue to sustain strong pandemic-era sales;
Walmart continues to generate record sales at existing stores;



State Street during the COVID-19 pandemic.

STATE STREET RETAIL

Santa Barbara Regional Retail Spending

This data represents a macro economic analysis, does not include tourism spending and does not directly reflect State Street’s retail market demand:

- \$900 million Total HH Restaurant spending within in a 20-minute drive-time; Less than existing restaurant store sales statistically indicating minimal demand for additional restaurants within the greater Santa Barbara region.
- \$650 million Total HH Grocery store spending within in a 20-minute drive-time; Less than existing grocery store sales statistically indicating minimal demand for additional grocery stores within the greater Santa Barbara region.
- \$600 million Total HH Soft Goods retail spending within in a 20-minute drive-time; Less than existing grocery store sales statistically indicating minimal demand for additional soft goods stores within the greater Santa Barbara region.



Based on a 20-minute drive time from City Hall in Downtown Santa Barbara.



STATE STREET RETAIL

2025 Retail Spending & Store Sales

Household Spending and Existing Store Sales in 2025

These charts summarize total household retail spending and the existing store sales for a 20-minute drive time from State Street. Existing store sales and household spending can assist businesses with development planning. This data represents a macro economic analysis, does not include tourism spending and does not directly reflect State Street’s retail market demand.

Chart 1

2025 - Statistical Opportunity Gap for New Stores			
A	B	C	D
Business Type	HH Spending 2025 Demand (\$)	Exist. Store Sales 2025 Supply (\$)	Positive Demand - Black Negative Demand - Red
Totals			
Total retail trade including food and drink	6,422,358,810	5,219,558,971	1,202,799,839
Total retail trade	5,463,168,745	4,146,585,282	1,316,583,464
Motor Vehicle and Parts Dealers			
Motor vehicle and parts dealers	1,179,128,009	891,338,347	287,789,662
Automobile dealers	997,372,347	790,840,109	206,532,238
New car dealers	894,763,747	774,282,982	120,480,765
Used car dealers	102,608,600	16,557,127	86,051,473
Furniture and Home Furnishings Stores			
Total Furniture and home furnishings stores	106,149,342	108,341,656	-2,192,314
Furniture stores	56,999,195	33,710,056	23,289,139
Home furnishings stores	49,150,147	74,631,600	-25,481,453
Floor covering stores	21,335,287	25,628,552	-4,293,265
Other home furnishings stores	27,814,860	49,003,049	-21,188,189
Electronics and Appliance Stores			
Total Electronics and appliance stores	68,575,886	87,028,128	-18,452,242
Household appliance stores	16,157,699	15,079,447	1,078,252
Electronics stores	52,418,187	71,948,680	-19,530,494
Building Material and Garden Equipment			
Total Building material and garden equipment	361,713,426	328,566,447	33,146,978
Building material and supplies dealers	312,679,132	292,423,069	20,256,063
Home centers	170,001,932	115,053,466	54,948,466
Paint and wallpaper stores	12,143,456	14,983,625	-2,840,169
Hardware stores	31,352,566	36,841,832	-5,489,266
Other building material dealers	99,181,178	125,544,146	-26,362,968
Lawn and garden equipment	49,034,293	36,143,378	12,890,915
Food and Beverage Stores			
Total Food and beverage stores	720,151,042	991,281,873	-271,130,831
Grocery stores	644,200,905	909,698,782	-265,497,877
Supermarkets	614,973,588	876,765,518	-261,791,930
Convenience stores	29,227,316	32,933,264	-3,705,947
Specialty food stores	20,484,636	28,781,055	-8,296,420
Meat markets	6,298,447	11,174,040	-4,875,593
Fish and seafood markets	2,465,056	6,316,569	-3,851,513
Fruit and vegetable markets	4,156,655	3,569,158	587,497
Beer, wine, and liquor stores	55,465,502	52,802,036	2,663,466
Health and Personal Care Stores			
Total Health and personal care stores	310,381,337	283,811,249	26,570,088
Pharmacies and drug stores	261,157,224	231,955,452	29,201,772
Cosmetics, beauty supplies	21,546,749	29,140,009	-7,593,260
Optical goods stores	10,446,519	4,201,178	6,245,341
Other health and personal care stores	17,230,845	18,514,610	-1,283,765
Gasoline Stations			
Total Gasoline Stations	473,192,137	307,650,815	165,541,322

20 minute drive time area from Santa Barbara City Hall Source: Claritas - Environics Analytics.

STATE STREET RETAIL

2025 Retail Spending & Store Sales

Household Spending and Existing Store Sales in 2025

These charts summarize total household retail spending and the existing store sales for a 20-minute drive time from State Street. Existing store sales and household spending can assist businesses with development planning. This data represents a macro economic analysis, does not include tourism spending and does not directly reflect State Street’s retail market demand.

Chart 2

2025 - Statistical Opportunity Gap for New Stores			
A	B	C	D
Business Type	HH Spending	Exist. Store Sales	Positive Demand - Black
	2025 Demand (\$)	2025 Supply (\$)	Negative Demand-Red
Clothing and Clothing Accessories Stores			
Total Clothing and clothing accessories store	245,847,386	332,553,092	-86,705,705
Clothing stores	173,007,175	277,378,646	-104,371,471
Men's clothing stores	7,536,237	2,464,012	5,072,225
Women's clothing stores	27,497,128	53,211,084	-25,713,956
Children's and infants' clothing stores	5,521,193	6,503,312	-982,119
Family clothing stores	106,872,238	181,838,666	-74,966,429
Clothing accessories stores	10,378,334	19,125,147	-8,746,813
Other clothing stores	15,202,045	14,236,425	965,620
Shoe stores	30,074,934	18,116,082	11,958,852
Jewelry, luggage, and leather goods stores	42,765,277	37,058,364	5,706,914
Sporting Goods, Hobby, and Book Stores			
Total Sporting goods and book stores	82,950,996	71,439,039	11,511,957
Sporting goods, hobby stores	74,119,620	61,907,167	12,212,453
Sporting goods stores	54,293,807	47,155,177	7,138,630
Hobby, toy, and game stores	15,047,503	9,798,078	5,249,425
Sewing, needlework, stores	2,363,240	2,301,746	61,494
Musical instrument and supplies	2,415,069	2,652,166	-237,096
Book stores	8,392,538	9,067,257	-674,719
News dealers and newsstands	438,838	464,615	-25,777
General Merchandise Stores			
Total General merchandise stores	667,534,825	310,670,022	356,864,804
Department stores	44,073,826	23,842,183	20,231,643
Other general merchandise stores	623,460,999	286,827,839	336,633,160
Warehouse clubs and supercenters	572,177,725	271,757,223	300,420,503
All other general merchandise stores	51,283,274	15,070,616	36,212,658
Miscellaneous Store Retailers			
Total Miscellaneous store retailers	129,965,430	160,090,657	-30,125,227
Florists	6,665,726	9,784,465	-3,118,739
Office supplies, stationery, and gift stores	20,471,797	33,171,465	-12,699,668
Used merchandise stores	20,330,793	31,200,755	-10,869,962
Pet and pet supplies stores	23,508,584	41,378,966	-17,870,381
Art dealers	13,344,442	13,765,538	-421,096
Tobacco stores	9,563,796	9,377,460	186,337
Food services and drinking places			
Drinking places (alcoholic beverages)	32,887,128	39,495,966	-6,608,838
Total Restaurants	861,582,439	984,361,633	-122,779,194
Full-service restaurants	433,590,505	527,522,520	-93,932,015
Limited-service restaurarts	363,303,337	328,378,357	34,924,980
Cafeterias, grill buffets, and buffets	9,262,363	1,527,606	7,734,758
Snack and non-alcoholic beverage bars	55,426,233	126,933,150	-71,506,917

20 minute drive time area from Santa Barbara City Hall Source: Claritas - Environics Analytics.

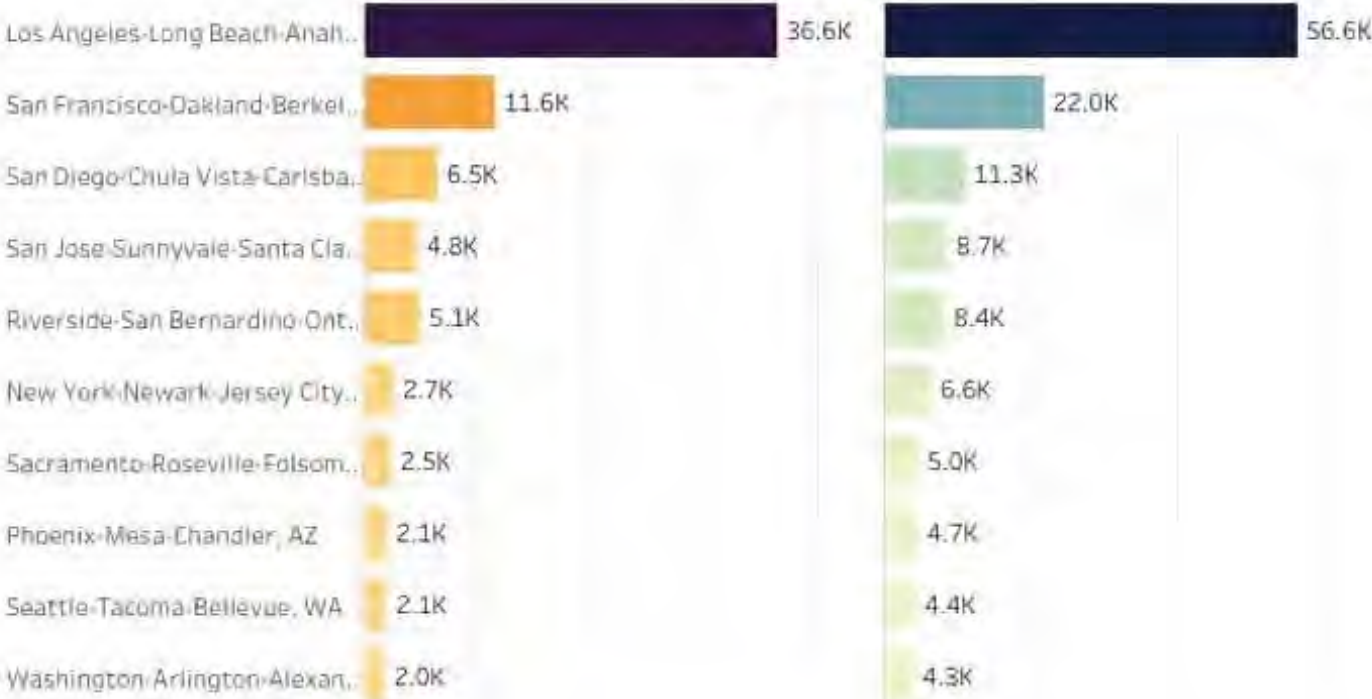
STATE STREET RETAIL

Tourism

2025 Overnight Visitors

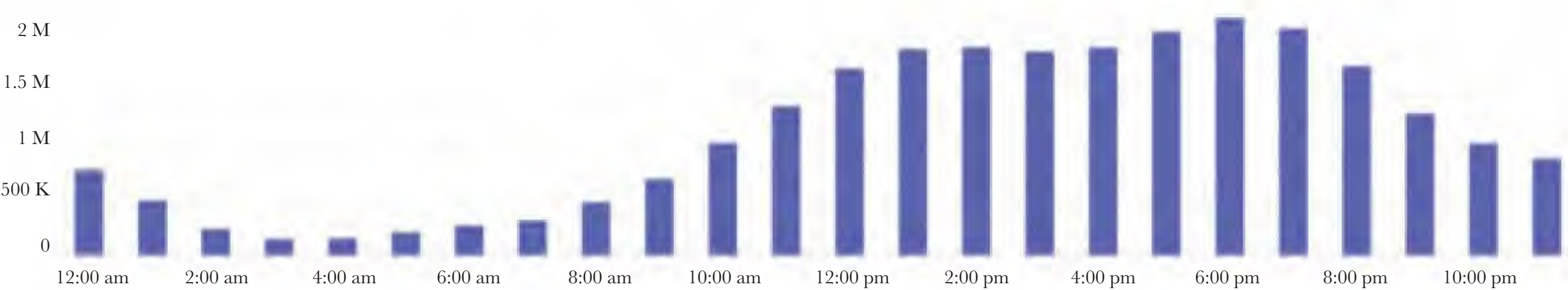
37,000	Los Angeles
12,000	San Francisco
7,000	San Diego
5,000	Riverside
5,000	San Jose
3,000	New York
2,500	Sacramento
2,000	Phoenix, AZ
2,000	Seattle, WA
2,000	Washington, DC
1,700	Chicago, IL

2025 Santa Barbara Visitor Origins



Indicates Los Angeles, San Francisco & San Diego are the top 3 visitor regions.

State Street Hourly Visits - 2025

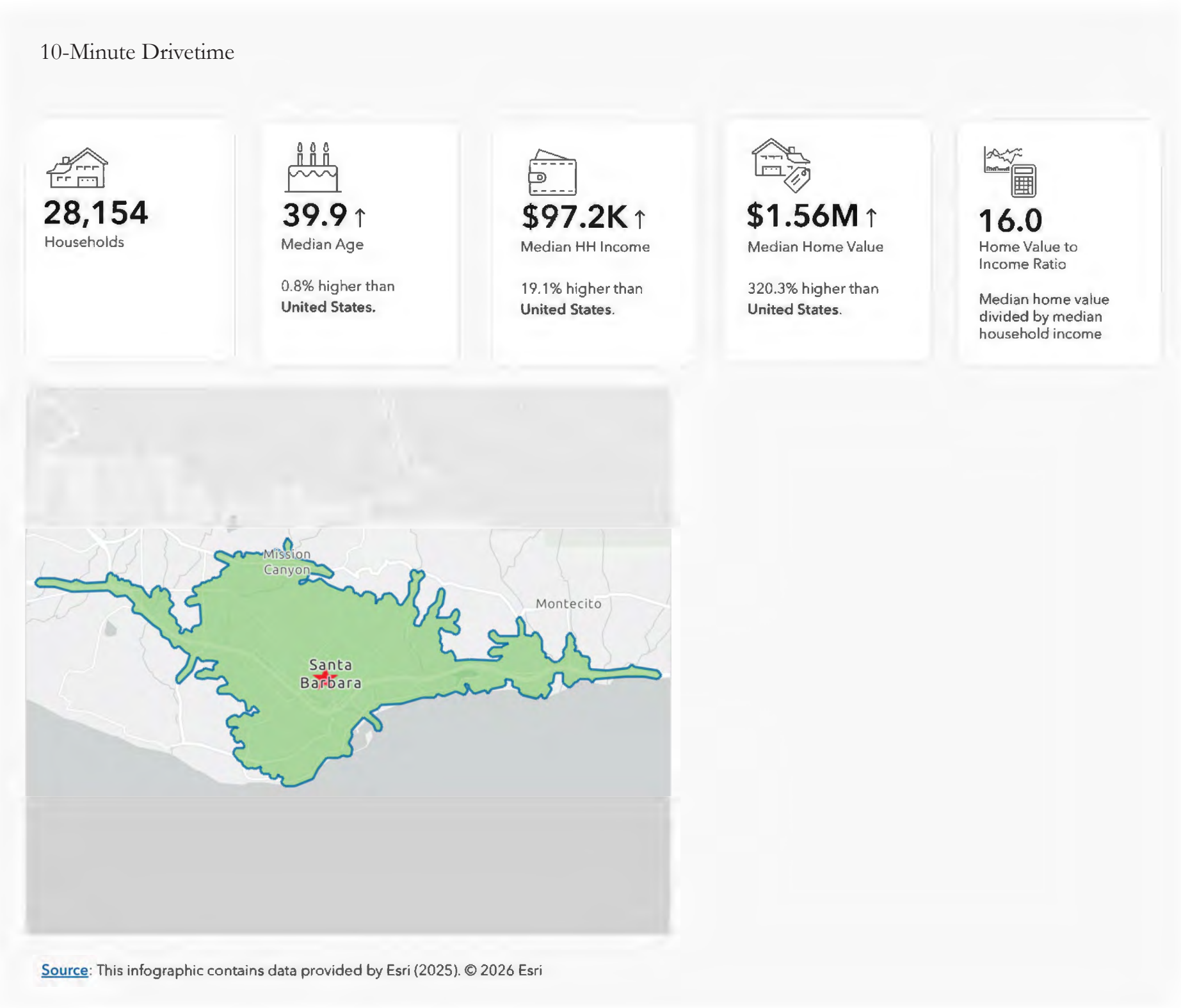


Indicates 11 AM to 8 PM as peak visit times for businesses on State St.

STATE STREET RETAIL

Santa Barbara Regional Tapestry Profile

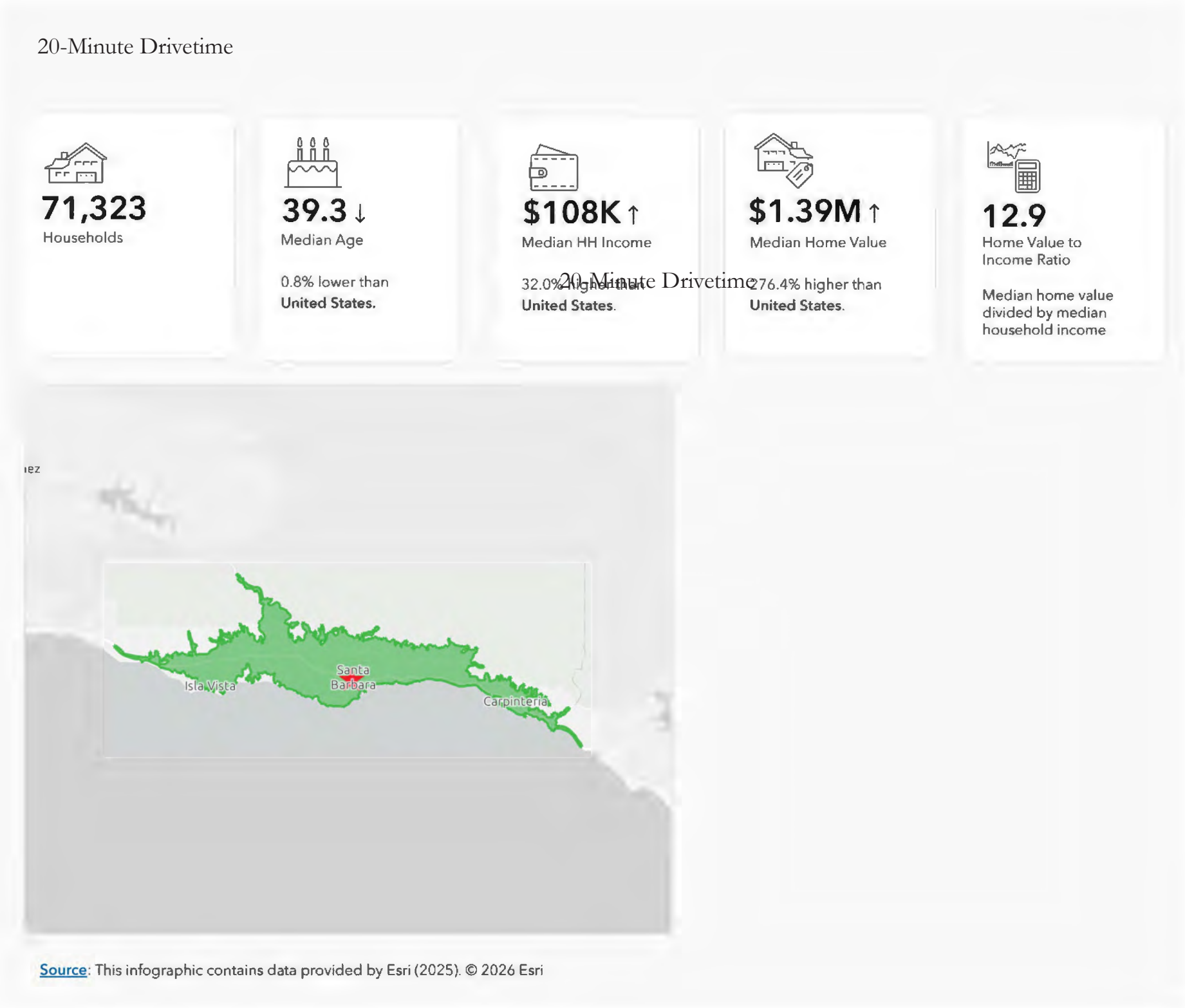
Charts indicate Santa Barbara number of households with moderate to high incomes located within a 10 minute drive-times. The city's 71,000 households are less than the 1.3 million visitors – indicating tourism is a primary economic driver



STATE STREET RETAIL

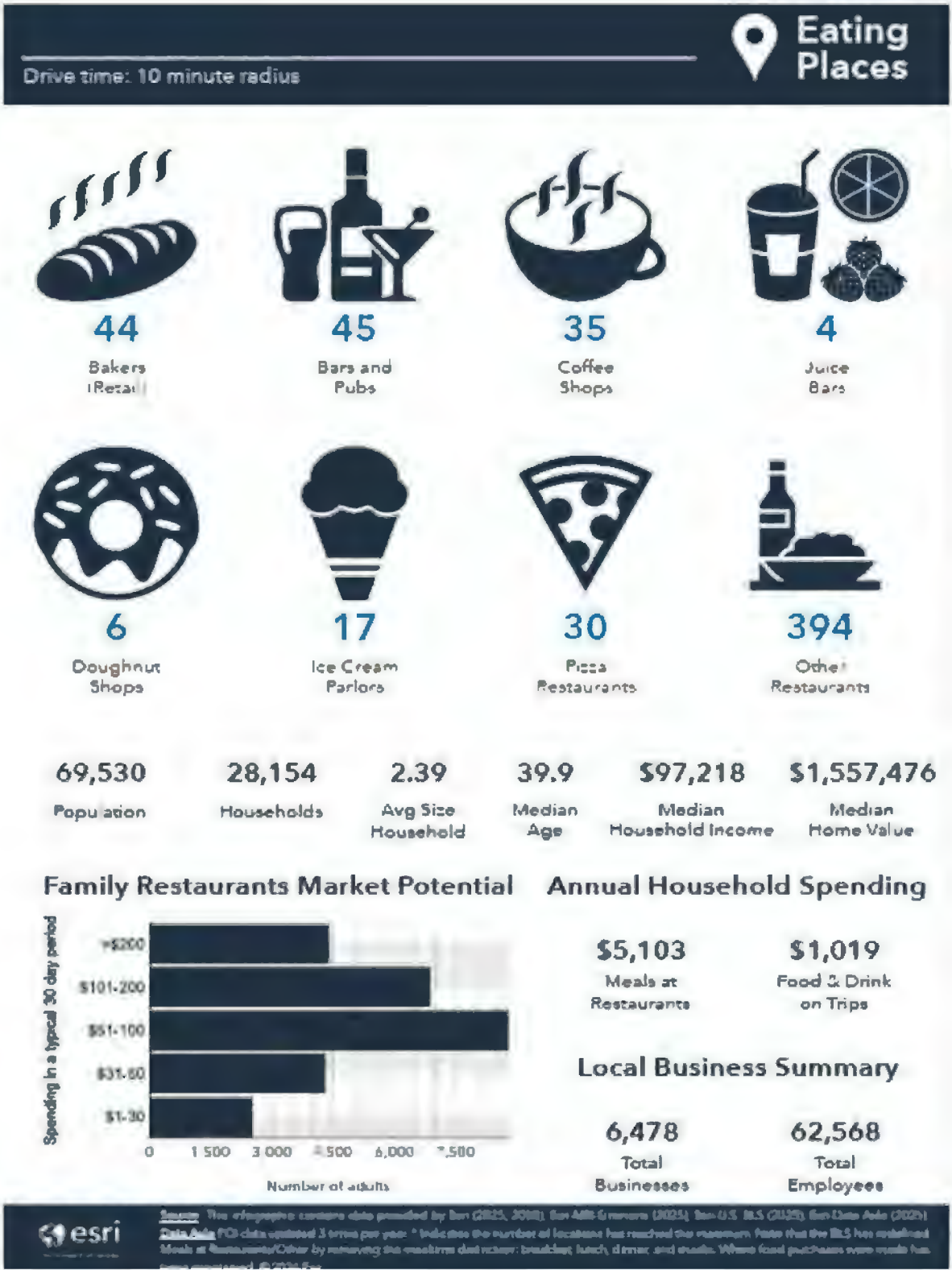
Santa Barbara Regional Tapestry Profile

Charts indicate Santa Barbara number of households with moderate to high incomes located within a 20 minute drive-times. The city’s 71,000 households are less than the 1.3 million visitors – indicating tourism is a primary economic driver



Dining 10-20 Minute Drive

Chart illustrates the total amount of food and beverage places within a 10 minute and 20 minute drive time to Santa Barbara. This indicates a strong competition for State Street restaurants.



STATE STREET RETAIL

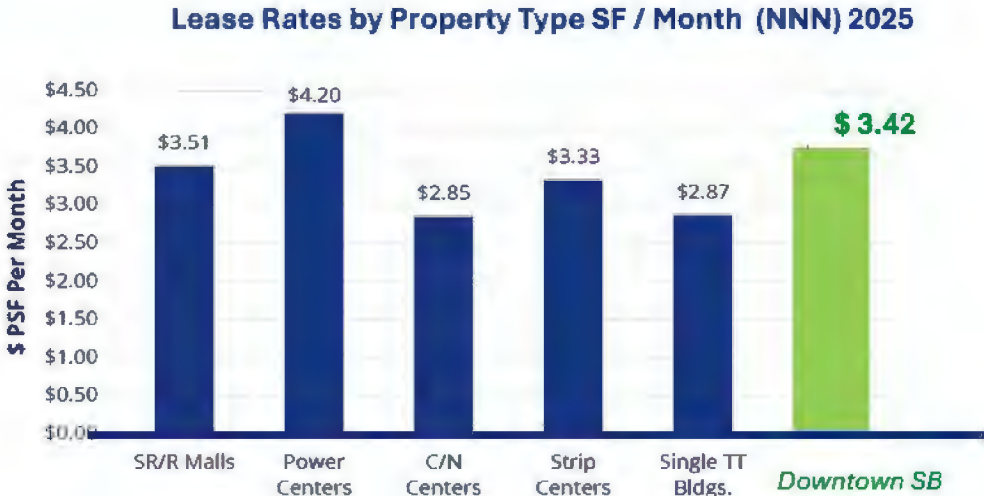
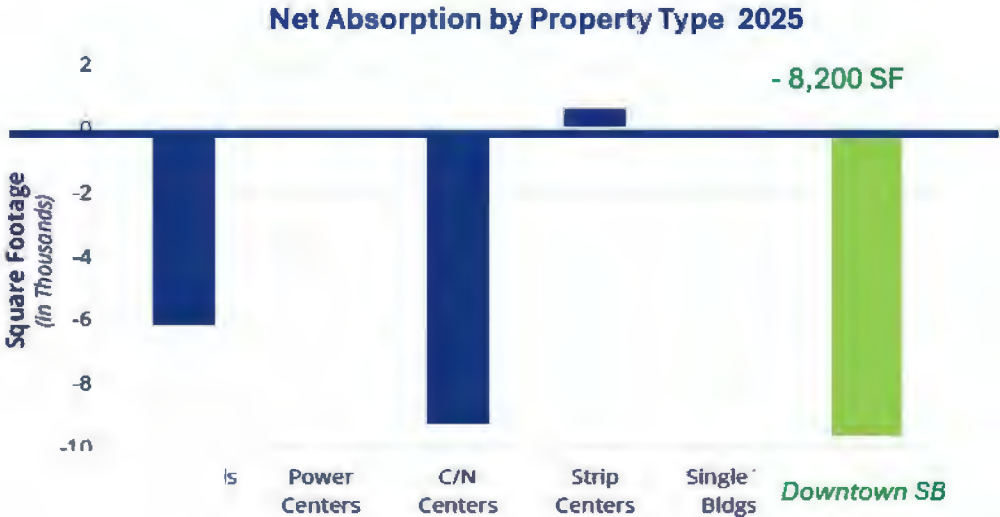
Real Estate Market Trends

Downtown Santa Barbara Area

- 3.5 million sf of total retail inventory - 13% vacancy rate
- 265,000 sf of neighborhood retail – 4% vacancy – doubled since 2020
- 140,000 sf of strip retail – 1.3% vacancy – down from 5% since 2020
- 2 million sf of general retail – 5.4% vacancy – flat since 2020
- Market commercial asking rents up 1.4%
- On-line spending, and the pandemic have transformed the downtown from a regional department store shopping destination into smaller clusters of shops, restaurants, and cultural centers

Santa Barbara Area

- 25 million sf total retail - 4.6% vacancy rate
- 2 million sf malls – 25% vacancy – doubled since 2020
- 1 million sf of power center – 0% vacancy - down from 5% since 2020
- 6 million sf of neighborhood center – 5% vacancy – steady since 2020
- 15 million sf of general retail – 2% vacancy – down from 5% since 2020
- Market commercial asking rents are up 1.2%
- (-8%) Commercial real estate absorption in downtown Santa Barbara



MARKET/PROPERTY TYPE	TOTAL INVENTORY SF	VACANCY RATE	VACANCY RATE PREVIOUS	NET ABSORPTION CURRENT	NET ABSORPTION YTD	NEW SUPPLY SF	UNDER CONSTRUCTION SF	AVG DIRECT ASKING RATE (NNN)
Santa Barbara County								
Super Regional/Regional Malls	1,235,678	28.3%	27.8%	(6,145)	12,798	0	0	\$3.51
Power Centers	474,427	0.0%	0.0%	-	0	0	0	\$4.20
Community/Neighborhood Centers	1,855,131	6.5%	6.0%	(9,253)	(27,382)	0	0	\$2.85
Strip Centers	575,637	1.5%	1.6%	660	6,125	0	0	\$3.33
Single Tenant Bldgs.	2,117,405	1.7%	1.7%	82	(14,505)	0	0	\$2.87
Subtotal	6,258,278	8.2%	8.0%	(14,656)	(22,964)	0	0	\$2.99
Downtown Santa Barbara								
Subtotal	1,897,920	16.2%	15.7%	(8,136)	15,637	0	0	\$3.42

Santa Barbara’s retail market is characterized by extensive inventory, made up of more the 6.5M SF. Approximately 35%, which is attributed to single tenant buildings (Macy’s – Nordstroms & others) with a share of 2 MSF – Colliers.

STATE STREET RETAIL

State Street Districts

Arts District



The Arts District offers a rich cultural and economic resource for downtown and the greater Santa Barbara region. Clustered across six blocks in the upper State Street area, the district generates steady visitor traffic driven by art exhibitions, museums, performances, educational programs, special events, and some of Santa Barbara’s best boutiques, brand-name stores, and restaurants. The arts also support a diverse economy that blends cultural centers, institutions, designers, retail brands, and dining, contributing to consistent daytime and evening activity throughout the year. The district is located between Victoria and Carrillo Streets. Existing assets include approximately 30 specialty and brand stores, 15 coastal and fine dining restaurants, the Santa Barbara Public Library, the Santa Barbara Museum of Art, the Arlington and New Vic theaters, and the Santa Barbara Symphony and Granada Theatre.

Proposed focus: A mix of moderately priced to upscale brand and specialty retail, fine art, antiques, books, crafted beverages, designer fashion, gourmet foods, and local chef-driven fine dining.

Civic & Commercial District



The three-block Civic & Commercial District is Santa Barbara’s most popular retail destination. The district features over 150 stores and restaurants, offering a wide assortment of goods, services, brands, and price points for families, local and seasonal residents, visitors, and workers. Marshalls department store, and Paseo Nuevo are the district’s most visited destinations. The district is located between Carrillo and Ortega Streets. Existing places include Apple, Banana Republic, Blue Owl, City Hall, Cajun Kitchen, California Pizza Kitchen, Coach, Gap, H&M, Lobero Theatre, McConnell’s Ice Cream, Marshalls, Sephora, and dozens of boutique and gift stores.

Proposed focus: A mix of cultural, entertainment, retail, and dining uses offering a broad range of goods, services, brands, and price points oriented toward local residents, visitors, and workers. Key categories include apparel, art, books, casual and department-style goods, quick-service and full-service restaurants, home furnishings, electronics, footwear, gifts, jewelry, housewares, boutique pharmacy, specialty foods, sporting goods, and toys.

Entertainment District



Many of State Street’s most distinctive shops, restaurants, and nightlife venues are concentrated along a four-block stretch of South State Street, between Ortega Street and the U.S. 101 Highway. This area forms the core of the Entertainment District, a dynamic destination that attracts a wide range of visitors throughout the day and into the late evening hours. The district offers its own mix of retail, dining, and entertainment experiences that supports activity from early morning coffee and shopping to late-night dining, bars, and live entertainment. With its compact layout, high energy, and diverse offerings, the Entertainment District plays a key role as the entrance onto State Street. Existing places include the Axe Club, Joe’s Café, Craft Ramen, Ghirardelli Chocolates, Holdrens, Metro 4 Theatre, Night Lizard Brewing, Red Piano, REI Sports, SB Roasting, Urban Outfitters, Whiskey Richards, Wildcat Lounge, World Market.

Proposed Focus: A mix of food and beverage venues, including quick-casual and full-service restaurants, pubs, bars, coffee shops, bakeries, ice cream, delis, and specialty food markets. Retail should include specialty and brand stores offering art, bicycles, books, clothing, sporting goods, electronics, and music, supporting both daytime and evening activity.

STATE STREET RETAIL

Paseo Nuevo Mall

Paseo Nuevo has historically served as a primary regional economic anchor for the State Street retail corridor. However, the closures of its department store anchors-Macy’s and Nordstrom-have significantly reduced its regional draw, resulting in diminished foot traffic and substantial vacancies within its approximately 450,000 sf retail footprint. The center is located between Canon Perdido Street and Ortega Street.

Proposed Focus: Reposition Paseo Nuevo as a regional dining and mixed-use destination serving residents, seasonal populations, and visitors. Emphasize a diverse range of food and beverage offerings—from family-oriented to upscale dining—to complement adjacent cultural assets, including the Metro Theatre and the Museum of Contemporary Art. Strategically repurpose underutilized retail space for residential and hospitality and introduce new residential to support downtown vitality.

In addition, evaluate the introduction of junior discount and outlet-oriented retail to broaden market appeal and recapture regional shopping demand.



STATE STREET RETAIL

Recommendations for a Competitive Retail Environment

This study finds that downtown Santa Barbara’s entertainment, dining, retail, and cultural destinations should offer a broad mix of businesses, brands, and price points to appeal to both residents and visitors. A flexible “flex-street” concept should be implemented as part of the downtown plan. Improvements to parking, two-way streets, wayfinding, management, new housing, and other initiatives should be integrated into State Street’s design. State Street’s revitalization is overdue, and implementation of the proposed designs should begin promptly.

Design Guidelines for Downtown Retail

- Widen pedestrian sidewalks to create more walkable space for window shopping and outdoor retail displays.
- Shade sidewalks to make walking between shops more comfortable and encourage longer shopping visits.
- Install and maintain indigenous and ornamental trees, shrubs, ground covers and flowers for year-round enhancement of visitors experiences and to reinforce the shopping districts and store’s merchandise and service
- Illuminate sidewalks with storefront window lighting until late evening and provide ample warm street lighting to support a vibrant evening shopping environment.
- Use distinct landscaping, branding, streetscape and other placemaking features for each district to reflect their unique characteristics and activities
- Provide public seating so shoppers can rest, wait, and spend more time along State Street.

Recommendations for Santa Barbara City Management

- The City should encourage the presence of a wide selection of businesses, brands, and price points that appeal to the entire community and its visitors.
- Simplify scheduled Flex Street hours (e.g., consistent hours such as 10:00 a.m. to 10:00 p.m.).
- Implement a store, civic and brand wayfinding system along State Street.
- Continue to support and expand the Business Improvement District’s resources.
- Provide two hours of free parking and enhance payment convenience for users.
- Convert Anacapa St.,Chapala St., Gutierrez St., Haley St. into two-way thoroughfares
- Evaluate opportunities to repurpose under-utilized commercial properties for housing, community uses, and commercial space.
- Support a flexible design that reinforces State Street’s primary role as a community and visitor gathering place; explore public programming and events that encourage diverse activities and celebrations.
- Consider block-by-block management and design adjustments to better respond to changing market trends and community preferences.



Feast of St. Lawrence event on Market St. (Toronoto, ON)



Illuminated storefront (South Pasadena, CA)



Mix of outdoor dining and retail shops (Sausalito, CA)

APPENDIX B.g: ECONOMIC ANALYSIS



CREATE STATE TECHNICAL REPORT: ECONOMICS



STRATEGICECONOMICS

STATE STREET MASTER PLAN

ECONOMIC CONDITIONS

PREPARED FOR:
CITY OF SANTA BARBARA



TABLE OF CONTENTS

1	INTRODUCTION	7
2	STATE STREET EXISTING ECONOMIC CONTEXT	11
	State Street’s Changing Regional Context	11
	Existing Conditions By Use	14
	Retail	16
	Office	30
	Hotels and Housing.	34
	Block by Block Conditions on State Street	41
3	LITERATURE REVIEW: SMALL DOWNTOWNS & ECONOMIC HEALTH	45
4	CASE STUDIES	49
	San Luis Obispo, California	50
	Greenville, South Carolina.	52
	Pearl Street, Boulder, Colorado	54
5	KEY FINDINGS	59
6	RECOMMENDATIONS	63
	Diversify Land Uses	65
	Catalyze Housing Construction Downtown	71
	Grow Businesses and Cultivate New Investment	75
	Cultivate a Business Friendly City Government.	73

TABLE OF FIGURES

Figure 1. State Street Area Plan Boundaries	8
Figure 2. Retail and Population Change, 1970-202	12
Figure 3. Santa Barbara South Coast Region Major Shopping Centers by year Built	13
Figure 4. Building Square Footage by Building Type as Share of Total Inventory	15
Figure 5. Retail Rent Per Square Foot (NNN, Monthly, Constant 2021 Dollars)	17
Figure 6. Retail Vacancy Rate	18
Figure 7. Number of Retail Establishments in State Street Study Area.	19
Figure 8. Business Categories as Share of Retail Establishments in State Street Study Area.	19
Figure 9. Number of Establishments in State Street Study Area by Subarea	20
Figure 10. Total Sales by Subarea (constant 2021 dollars)	22
Figure 11. Sales by Business Category on State Street (constant 2021 dollars)	23
Figure 12. Average Sales Per Establishment by Business Category, State Street (constant 2021 dollars)	24
Figure 13. Share of Establishments and Sales by Business Category on State Street.	25
Figure 14. Sales by Business Category East of State Street (constant 2021 dollars)	26
Figure 15. Average Sales Per Establishment by Business Category, East of State Street (constant 2021 dollars)	26
Figure 16. Share of Establishments and Sales by Business Category East of State Street	27
Figure 17. Sales by Business Category West of State Street (constant 2021 dollars)	28
Figure 18. Average Sales Tax Revenue Per Establishment by Business Category, West of State Street	29

Figure 19. Share of Establishments and Sales by Business Category West of State Street	30
Figure 20. Number of Office Buildings in State Street Study Area.	33
Figure 21. Office Rent Per Square Foot (Monthly, Constant 2021 Dollars)	34
Figure 22. Office Vacancy Rate	35
Figure 23. Hotel Inventory by Number of Buildings and Rooms	36
Figure 24. Hotel Average Daily Rate (constant 2021 dollars)	37
Figure 25. Hotel Occupancy Rate	38
Figure 26. Multifamily Housing Inventory by Number of Buildings and Units	39
Figure 27. Average Rent Per Unit in Multifamily Buildings	40
Figure 28. Average Rent Per Square Foot (Monthly) in Multifamily Buildings	41
Figure 29. Vacancy Rates in Multifamily Buildings	42
Figure 30. Open Businesses	52
Figure 31. San Luis Obispo Outdoor Dining Fee Schedule	50
Figure 32. Pearl Street Mall Retail Rent Per Square Foot	55
Figure 33. Pearl Street Mall Office Rent Per Square Foot.	55
Figure 34. Boulder, Colorado Outdoor Dining Pilot Fees	56
Figure 35. Housing Opportunities.	56



1 INTRODUCTION

The State Street Master Plan seeks to ground its visioning process in the broader economic context to ensure the final Plan can be implemented based on realistic assumptions about both public and private investments.

This report provides this context based on real estate trends and conditions in the State Street area, as well as in the broader market area for each use under consideration. In addition, because retail activity is so central to State Street, it also examines trends in retail sales activity to determine how establishments have performed prior to the Pandemic, through the recovery phase, and into 2022 as conditions began to stabilize.

In addition to the quantitative analysis, this report also presents findings from a literature review and case studies highlighting ways that other small to mid-size cities are bolstering their economic growth, supporting small businesses, and creating lively environments for their downtowns, especially during and following the Pandemic.

For the purposes of this report, detailed economic trends and conditions data were gathered for four geographies as shown in **Figure 1**. The first is “State Street”, defined as the section of State Street between Highway 101 and Sola Street. This geography was used to examine questions specific to State Street, such as the implications for the Street’s closure to cars, the number of vacant storefronts on the Street, and activities to revitalize certain subareas within this larger boundary. The second and third geographies include Anacapa and Chapala Streets individually, as well as the cross streets connecting each to State Street. Chapala is referred to as West of State

FIGURE 1. STATE STREET AREA PLAN

State Street
Study Area

- State Street
- West of State Street
- East of State Street
- State Street Study Area



Street, and Anacapa is referred to as East of State Street. Examining data for these areas immediately east and west of State Street provides additional information about the economic interconnection between the three major north-south streets. Taken together, the entire area, including all three streets, is referred to as the State Street Study Area.

This report's content is organized in the following manner:

- » **State Street Economic Context:** Describes the regional position of State Street, its existing land uses, and its population.
- » **Existing Conditions by Use:** Provides data and narrative regarding the trends in rents, vacancies,

and supply for the primary types of businesses on State Street.

- » **Literature Review:** Provides a brief overview of how small cities across the United States are planning for pandemic recovery, downtown revitalization, and overall economic health.
- » **Case Studies:** Summarizes key strategies and their applicability to State Street from three small cities with pedestrian oriented downtowns.
- » **Key Findings:** Summarizes the key findings regarding the State Street Study Area's existing conditions.



2 STATE STREET EXISTING ECONOMIC CONTEXT

Becuase State Street is the largest historic commercial corridor in Santa Barbara County and the South Coast region, this section starts with a brief discussion of how the regional shopping center market has evolved since 1970 to demonstrate that population growth is no longer the key market force shaping demand for retail activity in the Study Area or the City.

This discussion is followed by a detailed analysis of the economic conditions for retail, office, housing, and hotels within the entire State Street Study area, and for the three individual subareas that comprise the Study Area. The retail discussion also includes a trend analysis of retail sales performance by store type. This analysis shows how retail activities on State Street and the two adjacent streets have changed over time in a manner that is consistent with national trends leading up to, during, and following the Pandemic.

STATE STREET'S CHANGING REGIONAL CONTEXT

State Street has functioned as a commercial corridor for over 100 years, with most of the Street's historic buildings dating back to the 1920s. Starting in the mid-to late 19th century and lasting until sometime into the 1970s, State Street served as the main regional shopping district for Santa Barbara County and much of the central coast. This dominant role has slowly diminished in response to population growth elsewhere in the region. As **Figure 2**

FIGURE 2. RETAIL AND POPULATION CHANGE, 1970-2022 INVENTORY

City	Retail Sq Ft	Population 1970	Population 2010	Population 2020	Population % Change 1970-2020	Population % Change 2010-2020	Retail Sq Ft Per Capita (2020)
Santa Barbara		70,215	88,452	88,665	26%	0.2%	74
Goleta (a)	2,026,619	N/A	29,932	32,690	N/A	9.2%	62
Ventura	7,197,910	57,964	106,433	110,763	91%	4.1%	65
Lompoc	2,332,799	25,284	42,474	44,444	76%	4.6%	52
Santa Maria	6,539,871	32,749	99,553	109,707	235%	10.2%	60
Pismo Beach	994,121	4,043	7,628	8,072	100%	5.8%	123
San Luis Obispo	5,265,453	28,036	44,949	47,063	68%	4.7%	112
Total	30,949,141	218,291	389,489	408,714	87%	4.9%	76

Source: CoStar 2022; US Census 1970, 2010, 2020; Strategic Economics 2023.

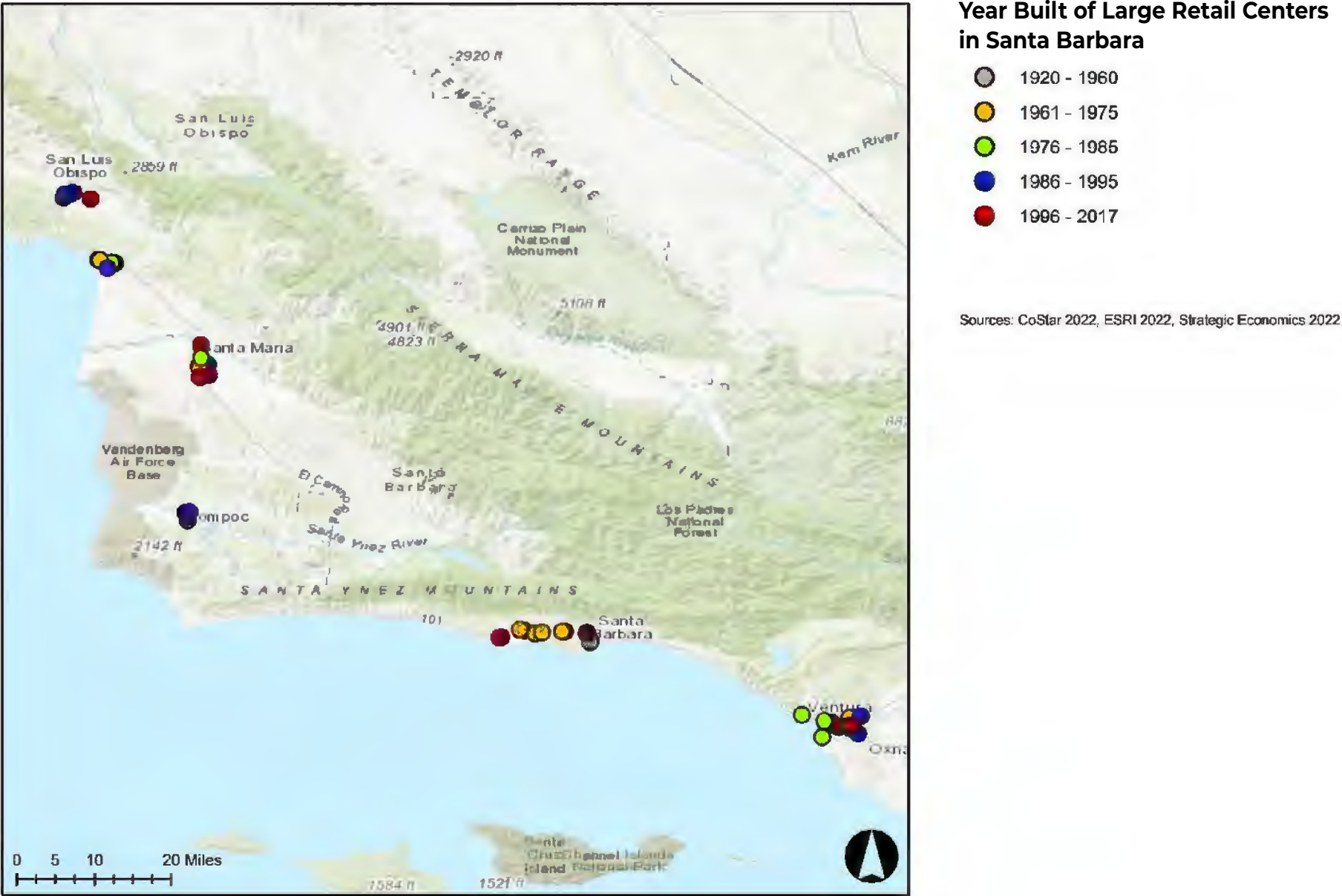
shows, in 1970, Santa Barbara had the largest population by far of any city in the trade area, but over the last 50 years, Santa Barbara has added few new residents relative to its base as compared to most other cities in this group.

Compared to regional competitors, Santa Barbara could be considered “over-retailed”, meaning that it has more square feet of retail per capita, than other communities, as shown in **Figure 2**. However, Santa Barbara has less retail square feet per capita than the average for the competitive region. However, to put these numbers in perspective, the national average in the United States

was 23.5 square feet per capita in 2018.

Figure 3 further illustrates the relationship between population growth and new retail development by showing the year in which major shopping centers were built across the region. The newer centers correspond to the communities that have also seen the most significant increases in population. While Santa Barbara has added some new retail centers in the last several decades, notably, the Paseo Nuevo Mall, which was built in 1989, the regional trade area to support the Mall and other State Street retail activity has contracted as new competition in other locations has increased.

FIGURE 3. SANTA BARBARA SOUTH COAST REGION MAJOR SHOPPING CENTERS BY YEAR BUILT



Property owners, brokers, and other local experts recognize that State Street has been operating in a shifting competitive environment for decades, and that the street has had to “reinvent” itself multiple times using a range of tools such as building the mall, adding parking, adding new landscaping; and most recently, closing the street to traffic and adding parklets for outdoor dining. A more detailed discussion of the State Street Study Area’s retail performance is included below.

STATE STREET STUDY AREA
ECONOMIC CONDITIONS

This section describes existing real estate conditions by use in the State Street Study Area by trends in supply, rents, vacancy rates, and retail sales performance. The

uses discussed include retail, office, hotel, and multifamily housing.

Based on commercial building square footage, retail uses account for almost two-thirds of the total built area (59 percent) followed by office (28 percent). Housing only accounts for 3 percent of the space while hotels account for 5 percent.

Figure 4 shows the breakdown of total building inventory by use and by subarea. The subareas are defined as:

- » **State Street Study Area:** inclusive of all businesses within the boundaries of Anacapa Street, Chapala Street, Sola Street, and Highway 101.
- » **State Street:** businesses that directly face State Street
- » **East of State Street (EOSS):** businesses within the study area, from State Street to Anacapa Street
- » **West of State Street (WOSS):** businesses within the study area, from State Street to Chapala Street
- » **Santa Barbara:** the entire city of Santa Barbara, for reference purposes

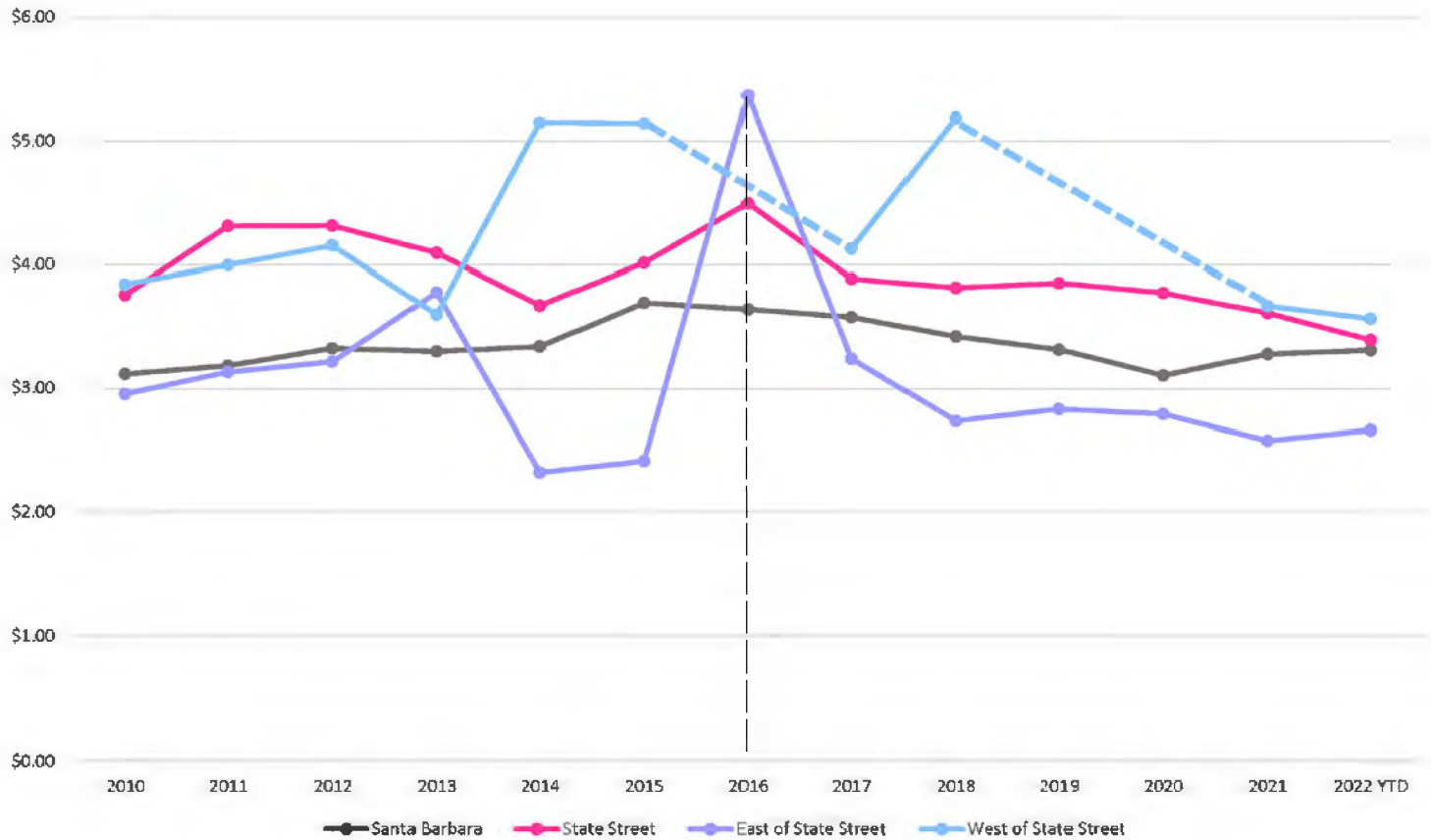
FIGURE 4. BUILDING SQUARE FOOTAGE BY BUILDING TYPE AS SHARE OF TOTAL

Type of Building	On State Street		Total State Street Study Area	
	Square Feet	Share Within Type	Square Feet	Share Within Type
Retail	981,371	50%	1,977,828	100%
Office	331,923	35%	935,618	100%
Multifamily	-	0%	90,540	100%
Hotel	54,095	34%	160,601	100%
Other	202	0%	165,012	100%
Total Building Inventory	1,367,591	41%	3,329,599	100%

Sources: CoStar, 2022; Strategic Economics, 2023.

Notes: Specialty Uses in the East of State Street Subarea, in particular two fraternal organization halls, make the Other category large compared to other subareas

FIGURE 5. RETAIL RENT PER SQUARE FOOT (NNN, MONTHLY, CONSTANT 2021



RETAIL

This section describes both the real estate and sales performance of retail space including bars and restaurants.

Real Estate Trends

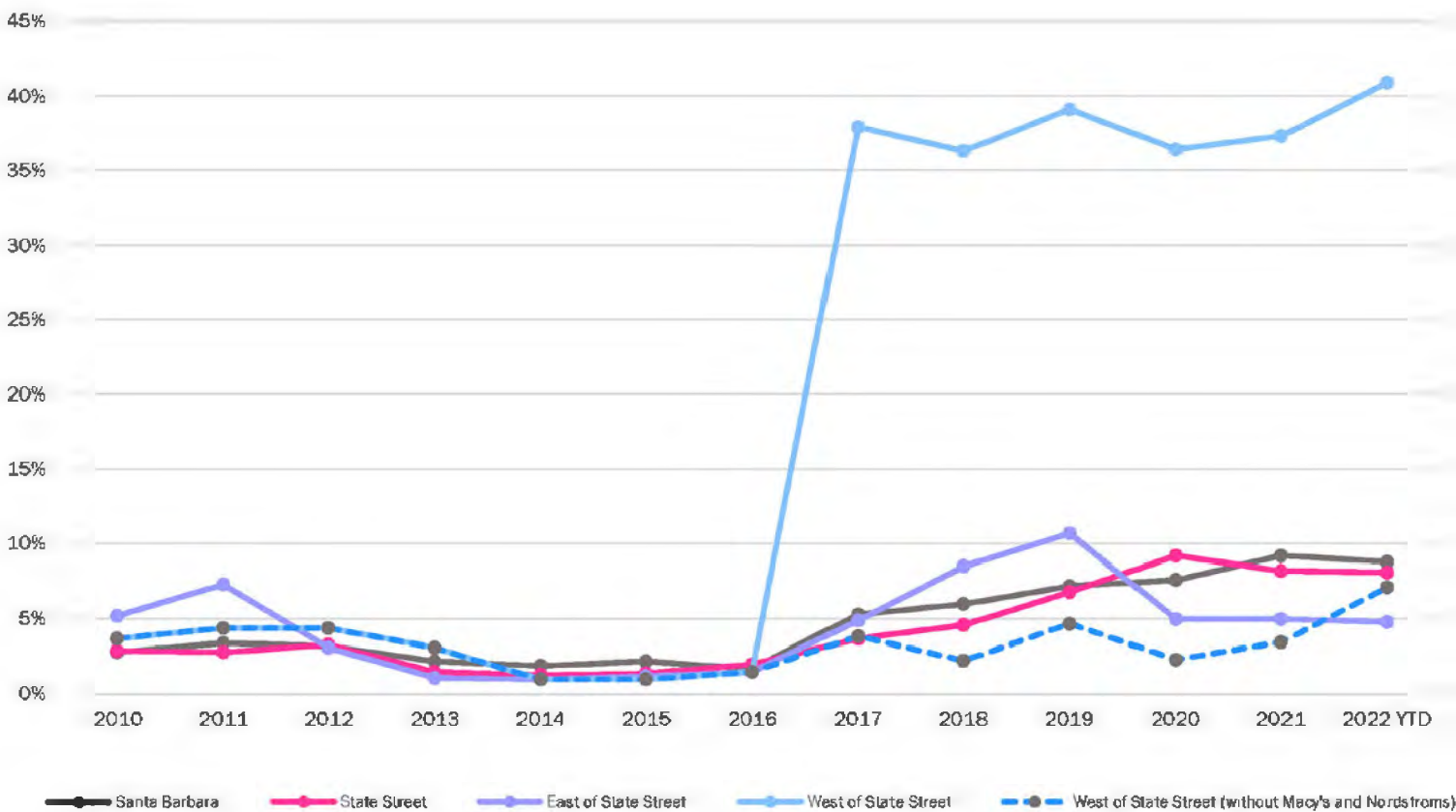
In the State Street study area, 59 percent of the commercial building square footage is retail. Along State Street, retail accounts for approximately 72 percent of

the building square footage. As shown in **Figure 5**, retail rents have fluctuated across all areas since 2010, however rents have generally declined since 2016.

Rents

State Street had commanded higher retail rents than the rest of the Santa Barbara market until recently when the two converged. However, the WOSS subarea, which included the Macys and Nordstroms stores until these closed, has had higher rents than State Street since 2013, likely due to rents in the Paso Nuevo Mall.

FIGURE 6. RETAIL VACANCY RATE



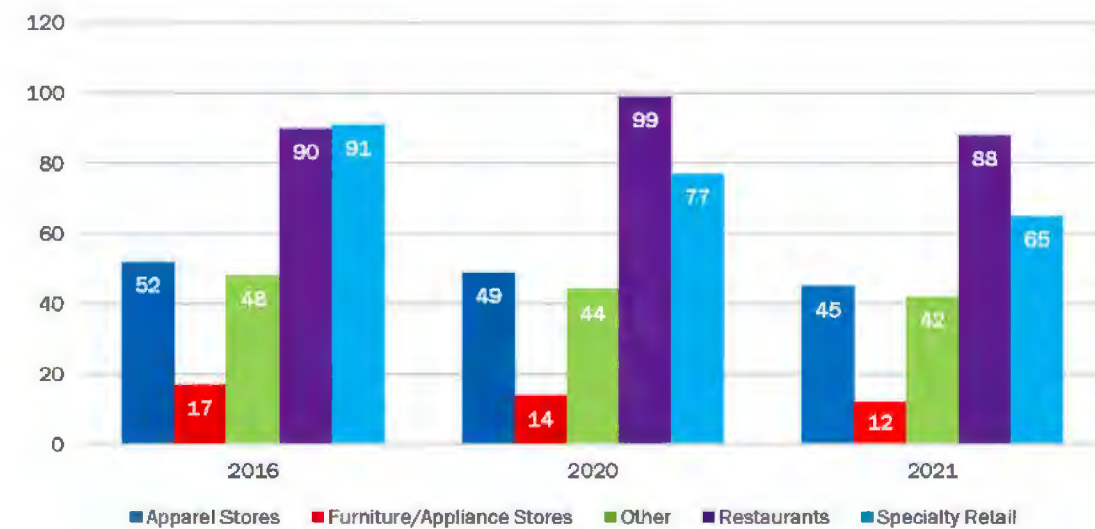
Source: CoStar, 2022; Strategic Economics, 2023

Vacancy

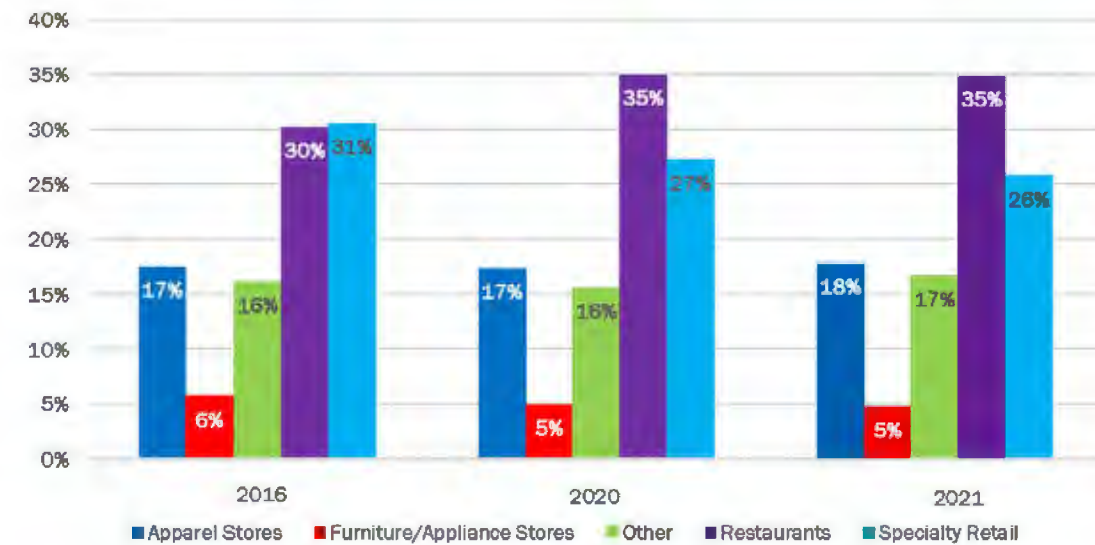
Vacancy rates for retail have had less fluctuation and been more consistent across the different areas than rents. The only exception has been the WOSS subarea where vacancies shot up in 2017 and have hovered at around 40 percent since. This reflects the two major department store closures. As the dashed line on Figure 6 shows, with the square footage for Macys and Nordstroms removed from the inventory, the vacancy rate in the WOSS subarea would

be lower than the other areas until last year when the vacancy rate converged with those in the other areas.

Macy's and Nordstrom, respectively account for approximately 81 percent of the total vacant retail space in the State Street study area. If the total square footage for Macys and Nordstrom are removed from the analysis, State Street study area's vacancy rate drops to 3 percent. In West of State Street, where these stores were located, the vacancy rate drops from 41 percent to 7 percent.

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

Source: CDTFA, 2022; Strategic Economics, 2023.

FIGURE 8. BUSINESS CATEGORIES AS SHARE OF RETAIL ESTABLISHMENTS IN STATE STREET STUDY AREA

Source: CDTFA, 2022; Strategic Economics, 2023.

RETAIL SALES PERFORMANCE

This section describes the sales performance of retail establishments, including restaurants and bars, based on sales revenue over time. **The purpose of this analysis is to demonstrate which segments of the retail industry are performing best in the State Street Study Area and to determine whether there are major discrepancies between subareas or business categories.** Performance is measured by the overall sales, sales per establishment, and trends by business categories. As retail is a cyclical industry, some variation across time and business categories is expected. This section begins with a description of the performance of the entire State Street Study Area which is followed by more detailed data by subarea. Confidentiality rules required data aggregation in some subareas.

State Street Study Area Retail Sales Performance

The State Street Study Area retail establishments are primarily composed of restaurants and three other retail categories, including apparel, furniture, and specialty retail. **Figure 7** shows that the total number of retail establishments declined between 2016 and 2021. Specialty retail saw the greatest decline both in absolute numbers and as a percentage, with a loss of 26 stores and a 5 percent decline in establishments, as shown in **Figure 8**. Apparel and furniture stores only declined by seven and five establishments each, respectively.

Businesses on State Street consistently account for greater sales revenue, demonstrated in **Figure 10**, as is expected based on the relative number of businesses in each subarea, as shown in **Figure 9**. Every subarea saw a decline in sales during the beginning of the COVID-19 pandemic, but all three subareas had begun recovery by 2021, the most recent year for which sales data are available.

WHAT IS SPECIALTY RETAIL?

Specialty stores are true to their name by carrying a deep assortment of brands, styles, or models within a relatively narrow category. Examples include craft stores, garden centers, sporting goods stores, and bookstores.

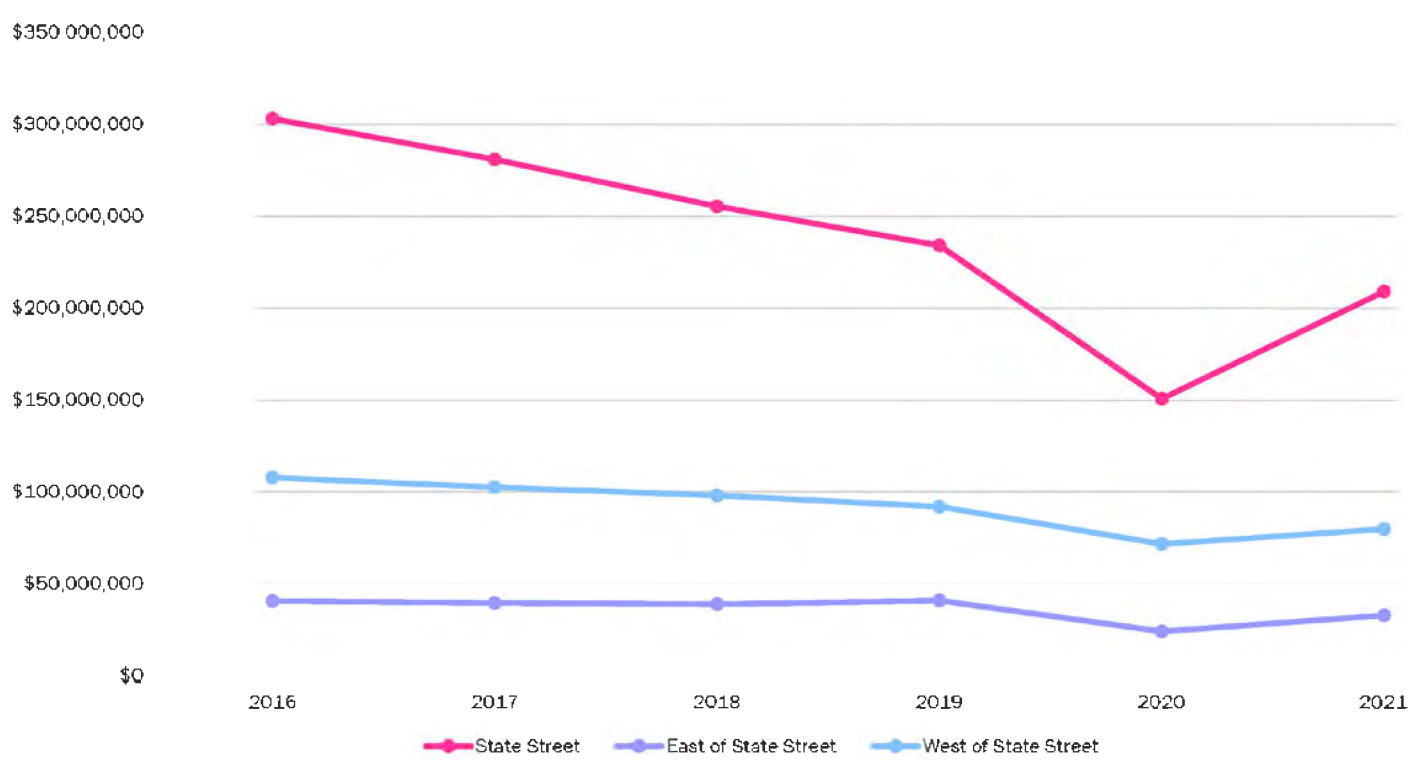
The average size of a specialty store will vary greatly depending on the type of store it is. You might have a small boutique that's or a large worldwide brand.

FIGURE 9. NUMBER OF ESTABLISHMENTS IN STATE STREET STUDY AREA BY SUBAREA

	2016	2017	2018	2019	2020	2021	Change 2016-2021	% Change 2016-2021
State Street								
Apparel Stores	52	55	51	47	49	45	-7	-13%
Restaurants	90	87	90	91	99	88	-2	-2%
Furniture/Appliance	17	16	16	15	14	12	-5	-29%
Specialty Retail	91	83	87	80	77	65	-26	-29%
Other	57	54	53	49	52	49	-8	-14%
Total	307	295	297	282	291	259	-48	-16%
East of State Street								
Restaurants	28	27	25	21	22	23	-5	-18%
Specialty Retail	28	27	23	18	18	17	-11	-39%
Other	40	42	42	40	31	22	-18	-45%
Total	96	96	90	79	71	62	-34	-35%
West of State Street								
Restaurants	32	33	33	32	27	33	1	3%
Specialty Retail	44	44	35	32	36	40	-4	-9%
Other	46	44	41	35	33	31	-15	-33%
Total	122	121	109	99	96	104	-18	-15%

Sources: CDTFA, 2022; Strategic Economics 2023.

FIGURE 10. TOTAL SALES BY SUBAREA (CONSTANT 2021 DOLLARS)

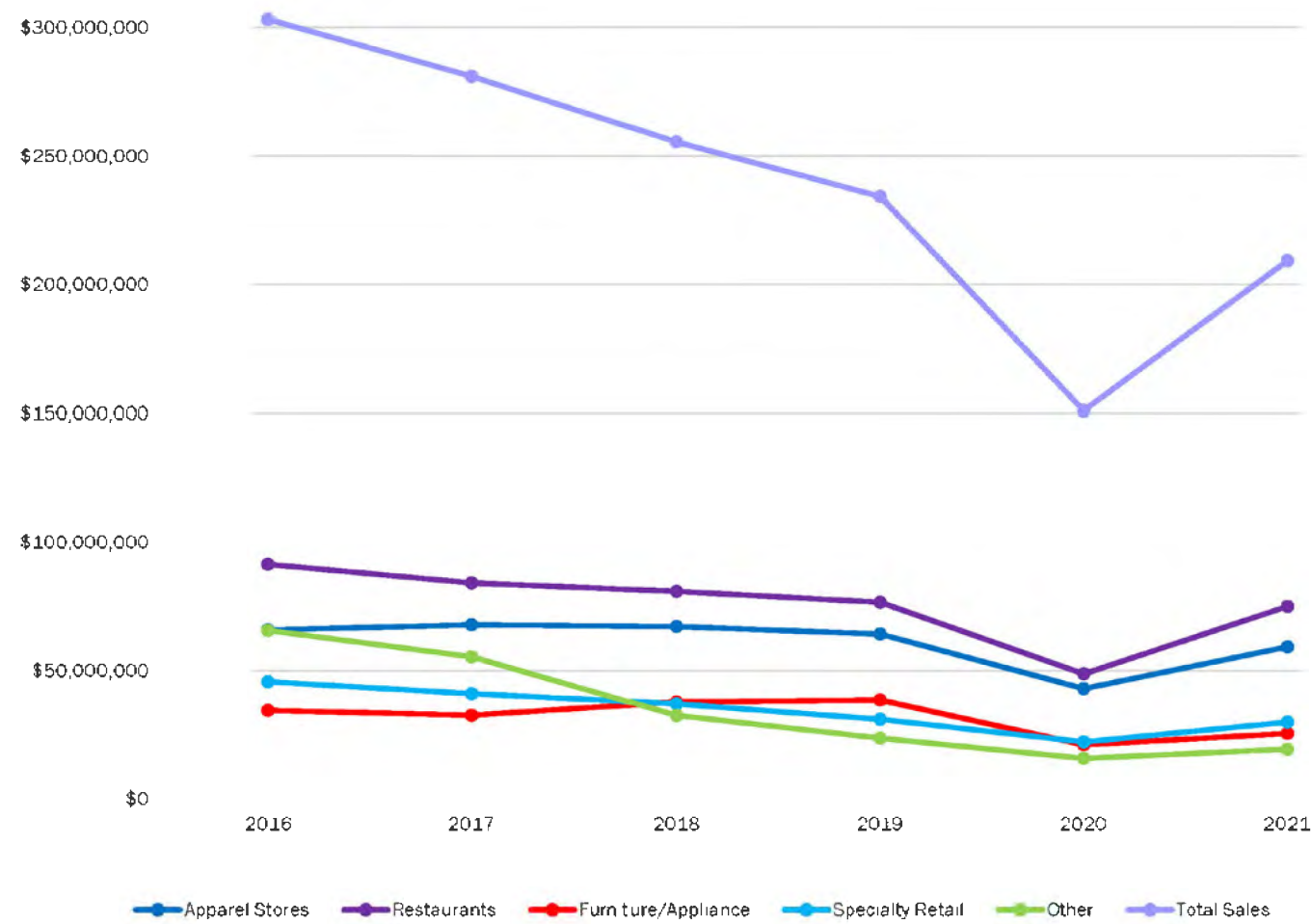


Source: CDTFA, 2022; Strategic Economics, 2023

State Street Retail Performance

As shown in **Figure 9**, the total number of businesses on State Street has declined by 16 percent from 2016 to 2021. The decline began prior to the COVID-19 pandemic, but the biggest decline in the number of stores happened between 2020 and 2021. However, sales have followed a different pattern. Even as the number of stores has declined on State Street, total sales increased between 2020 and 2021 and nearly recovered to 2019 levels, as seen in **Figure 10**. Restaurants have consistently had the largest volume of

FIGURE 11. SALES BY BUSINESS CATEGORY ON STATE STREET (CONSTANT 2021 DOLLARS)



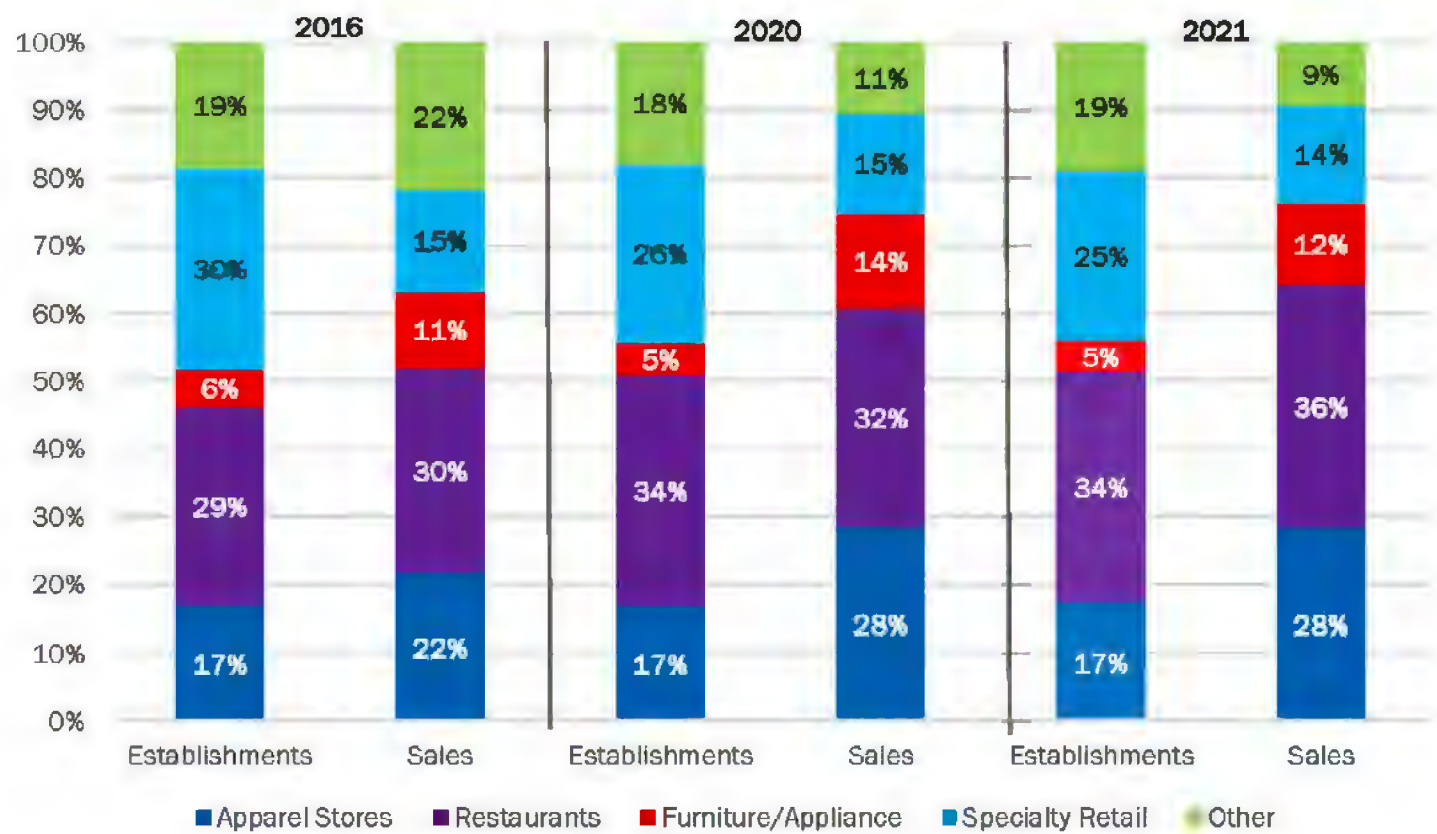
Source: CDTFA, 2022; Strategic Economics, 2023

FIGURE 12. AVERAGE SALES PER ESTABLISHMENT BY BUSINESS CATEGORY, STATE STREET (CONSTANT 2021 DOLLARS)

Business Category	2016	2017	2018	2019	2020	2021
Apparel Stores	\$1,266,588	\$1,232,695	\$1,316,941	\$1,366,660	\$877,677	\$1,316,867
Restaurants	\$1,015,205	\$966,880	\$898,124	\$841,633	\$491,951	\$852,240
Furniture/Appliance Stores	\$2,031,328	\$2,039,758	\$2,361,495	\$2,572,117	\$1,511,993	\$2,129,750
Specialty Retail	\$501,708	\$494,041	\$425,792	\$388,275	\$289,110	\$461,123
Other	\$1,151,856	\$1,025,125	\$614,554	\$484,047	\$304,945	\$396,603
Total	\$987,215	\$952,255	\$859,914	\$830,439	\$518,886	\$807,798

sales on State Street, as shown in **Figure 11**, but both apparel stores and furniture and appliance stores have larger average sales per establishment, as shown in **Figure 12**. Additionally, when comparing the share of establishments by business categories to their share of sales in **Figure 13**, which can demonstrate outsized performance of any particular type of business, **restaurants, furniture and appliance stores, and apparel stores have consistently had stronger market holds on State Street over time than other business types**. Sales data collectively indicate that, on State Street, business performance has mostly fluctuated in accordance with general retail cycles and have not been majorly impacted by policy choices related to parklets or street closures during the COVID-19 pandemic.

FIGURE 13. SHARE OF ESTABLISHMENTS AND SALES BY BUSINESS CATEGORY ON STATE STREET



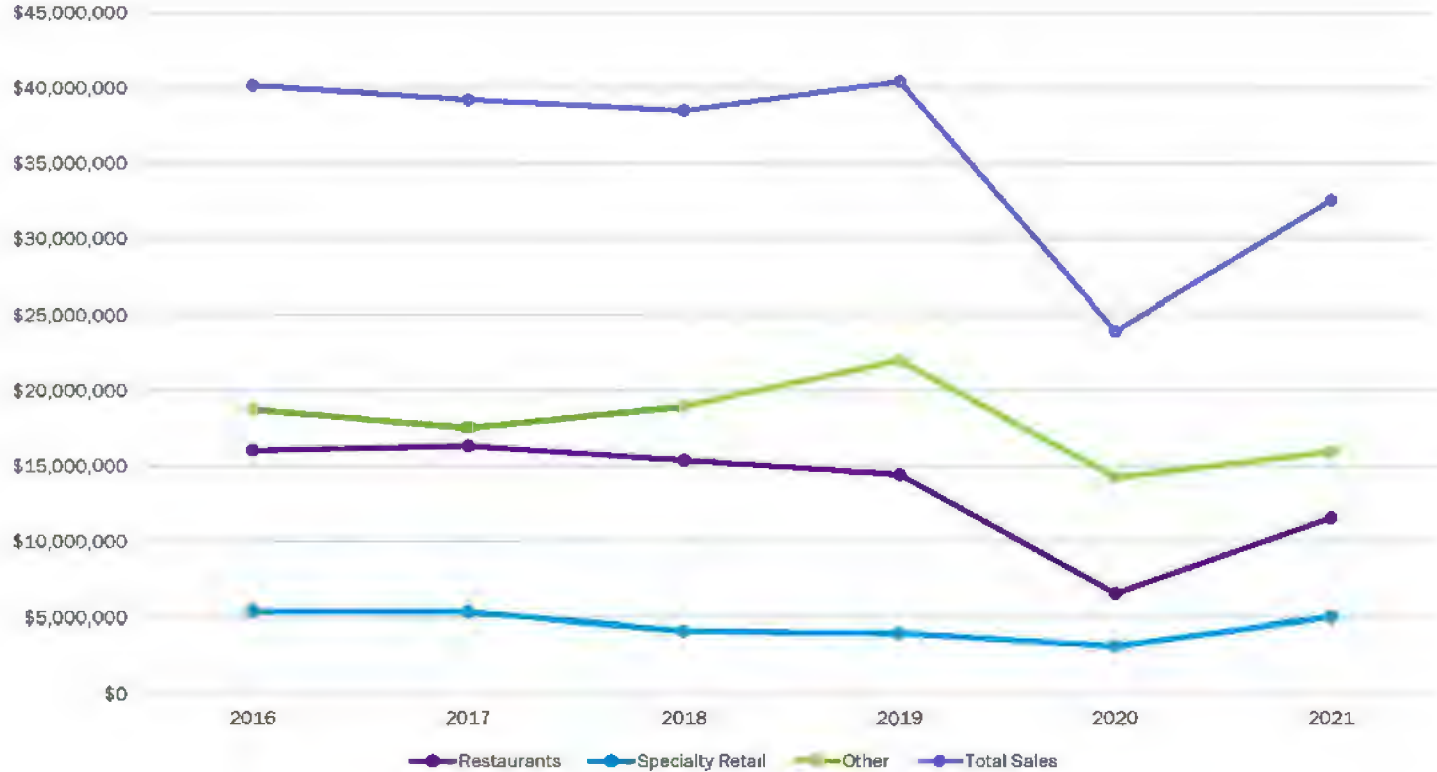
Source: CDTFA, 2022; Strategic Economics, 2023

East of State Street Retail Performance

Businesses within the State Street Study Area, East of State Street itself up to Anacapa Street, are primarily comprised of restaurants, specialty retail, and “other”. This subarea has the least businesses of the three subareas in the study area, and it has seen the largest percentage decrease in establishments from 2016-2021.

In this subarea, “other” businesses are the top performers in total sales, and these businesses have seen the greatest recovery in sales per establishment from pre-pandemic to 2021 on a sales per establishment basis, as seen in **Figure 14** and **Figure 15**. The comparison of share of business categories to their respective shares of sales has consistently demonstrated “other” business to be the outperformers in this area, as shown in Figure 16. This

FIGURE 14. SALES BY BUSINESS CATEGORY EAST OF STATE STREET (CONSTANT 2021 DOLLARS)



Source: CDTFA, 2022; Strategic Economics, 2023.
Note: “Other” is an aggregation of business categories to comply with confidentiality rules

is likely due to the types of businesses located in this area, such as high-end retail in El Paseo, and does not appear to be due to a lack of competitiveness across subareas. Although the overall sales performance of this subarea is lower than that of the other subareas, this has remained consistent over time.

FIGURE 15. AVERAGE SALES PER ESTABLISHMENT BY BUSINESS CATEGORY, EAST OF STATE STREET (CONSTANT 2021 DOLLARS)

Business Category	2016	2017	2018	2019	2020	2021
Restaurants	\$573,728	\$605,810	\$616,595	\$688,637	\$299,005	\$504,246
Specialty Retail	\$191,364	\$196,973	\$179,175	\$221,057	\$173,857	\$294,956
Other	\$469,090	\$417,840	\$451,685	\$550,165	\$459,401	\$724,631
Total Sales	\$418,606	\$408,588	\$427,852	\$511,988	\$337,309	\$525,061

Source: CDTFA, 2022; Strategic Economics 2023.

FIGURE 16. SHARE OF ESTABLISHMENTS AND SALES BY BUSINESS CATEGORY EAST OF STATE STREET

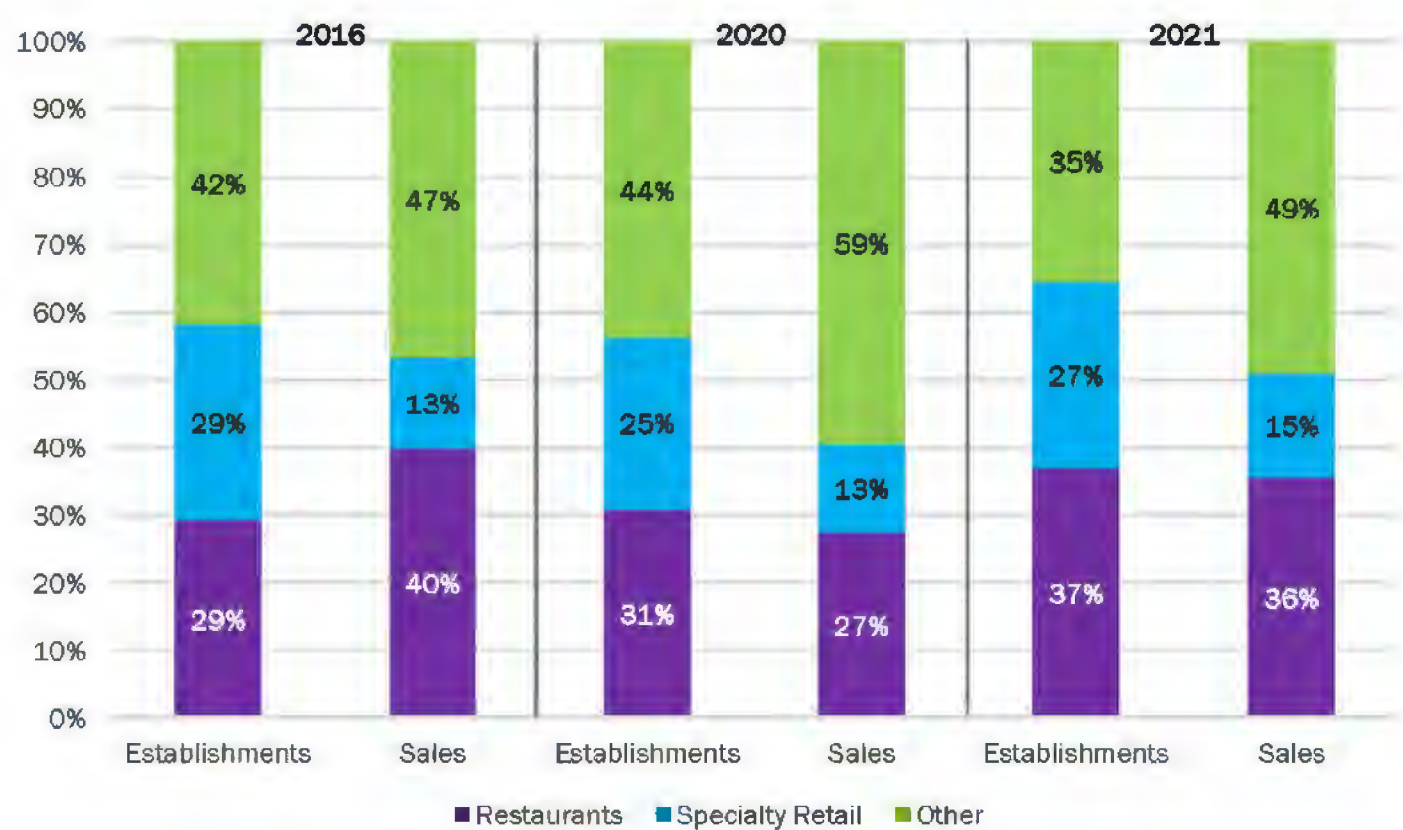
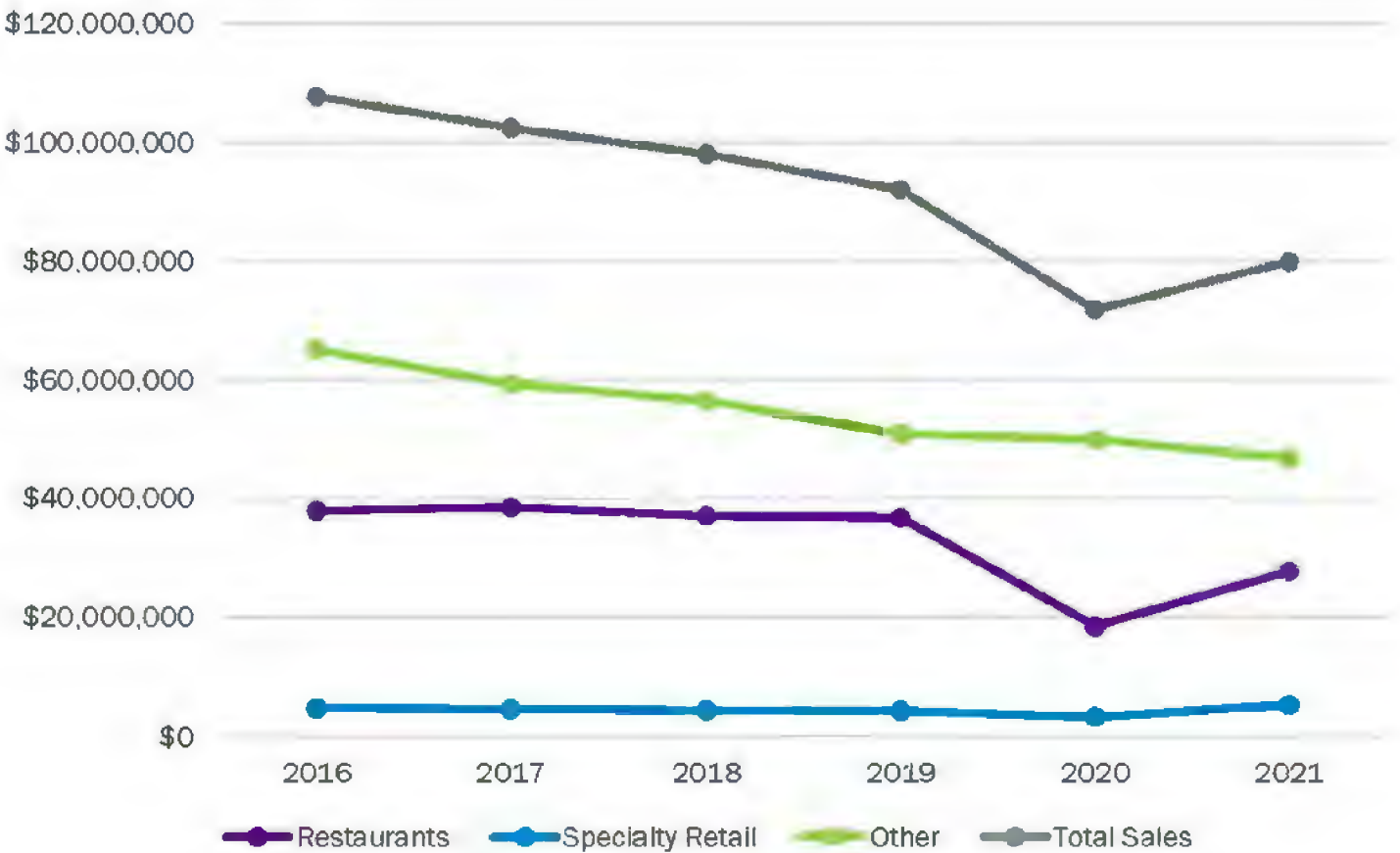


FIGURE 17. SALES BY BUSINESS CATEGORY WEST OF STATE STREET (CONSTANT 2021 DOLLARS)



Source: CDTFA, 2022; Strategic Economics, 2023.

Note: "Other" is an aggregation of business categories to comply with confidentiality rules

West of State Street Retail Performance

Businesses within the State Street Study Area, West of State Street itself down to Chapala Street, are primarily comprised of restaurants, specialty retail, and "other". This subarea contains many of the businesses in Paseo

Nuevo, and has seen the smallest numerical and percentage decrease in establishments from 2016-2021. In this subarea, "other" businesses are the top performers in total sales, and **these businesses have seen the greatest recovery in sales per establishment from pre-pandemic to 2021 on a sales per establishment basis, as seen in Figure 17 and Figure 18.** The comparison of

FIGURE 18. AVERAGE SALES TAX REVENUE PER ESTABLISHMENT BY BUSINESS CATEGORY, WEST OF STATE STREET

Business Category	2016	2017	2018	2019	2020	2021
Restaurants	\$1,184,090	\$1,166,962	\$1,124,539	\$1,149,481	\$686,228	\$840,386
Specialty Retail	\$109,944	\$106,279	\$128,799	\$138,292	\$95,168	\$135,988
Other	\$1,413,623	\$1,348,522	\$1,377,202	\$1,453,233	\$1,512,282	\$1,508,520
Total Sales	\$883,238	\$847,281	\$899,845	\$930,019	\$748,536	\$768,619

Source: CDTFA, 2022; Strategic Economics 2023.

share of business categories to their respective shares of sales has consistently demonstrated “other” business to be the outperformers in this area, as shown in Figure 19. This is likely due to the types of businesses located in this area, particularly in Paseo Nuevo. Sales have mostly recovered in this subarea, although less so for restaurants. Even so, restaurants are performing well when considering their share of sales compared to their share of revenues. Overall, this subarea is performing and recovering well from a sales perspective, particularly considering the status of the mall with considerations of national retail trends and cycles which largely disfavor large format malls at this time

Retail Market Summary

Despite the increased vacancy rates and varying degrees of success as measured by sales, neither measure indicates that retail activity in the Study Area is in total collapse. Rather, many factors are at work including a long-standing decline in the specialty retail sector, increased internet sales, and the loss of office workers in the area. In fact, the trends appear to show some resilience in the retail sector, which can continue to recover as individual property owners renovate space and move to reposition the State Street area.

FIGURE 19. SHARE OF ESTABLISHMENTS AND SALES BY BUSINESS CATEGORY WEST OF STATE STREET

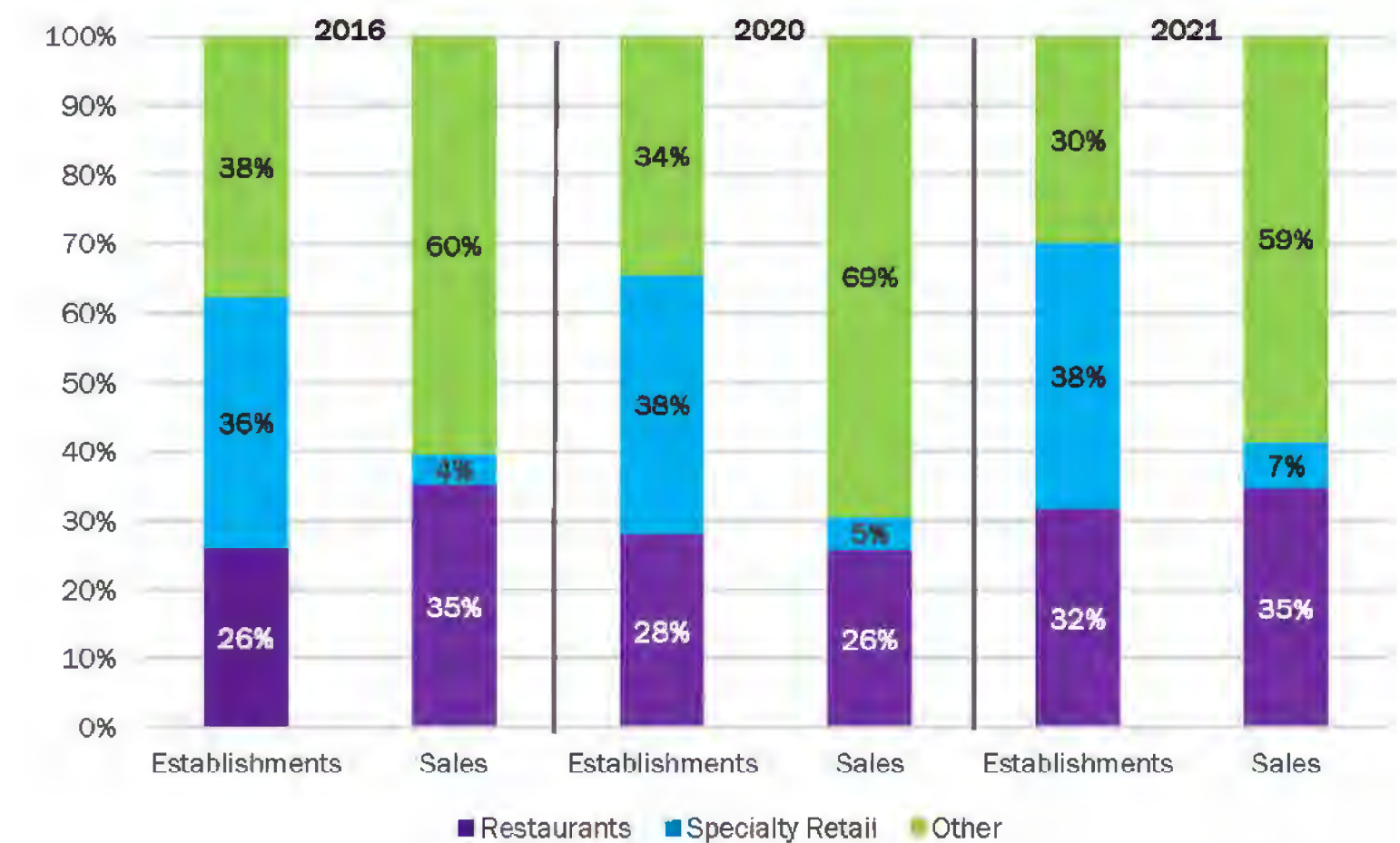


FIGURE 20. NUMBER OF OFFICE BUILDINGS IN STATE STREET STUDY AREA

Geography	2010	2022 YTD
On State Street	12	12
East of State Street	22	22
West of State Street	22	21
Total State Street Study Area	63	62
Santa Barbara	801	799

Source: CoStar, 2022; Strategic Economics, 2023.

OFFICE

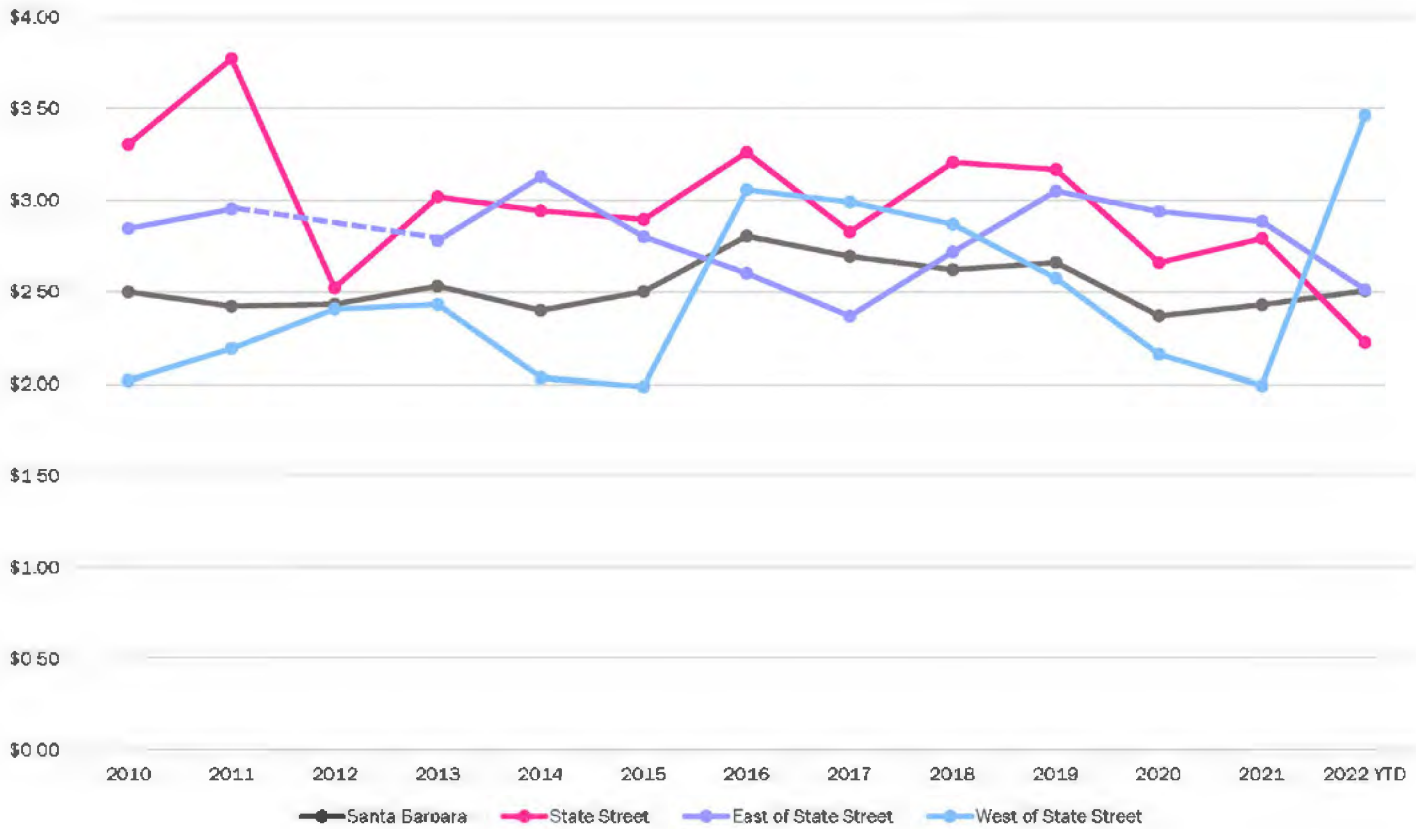
The State Street Study Area has 62 office properties, accounting for 8 percent of all office properties in Santa Barbara and 28 percent of all commercial building square footage in the State Street Study Area. Office inventory has been stable over time and is primarily in the East and West subareas of the study area, as shown in **Figure 20**.

Office properties in the State Street Study Area have historically commanded a slight premium compared to offices in Santa Barbara as a whole, as demonstrated in **Figure 21**. Prior to the Pandemic, rents were generally higher on State Street than other areas, although

State Street rents had a steep decline from 2021-2022, reflecting the decision of several major office users to close their offices and have their workers continue to work from home. Vacancy rates in the State Street Study Area are generally more volatile than in Santa Barbara, as demonstrated in **Figure 22**, but the small number of office properties in the Study Area means that just a few vacancies can have a large impact on the vacancy rate.

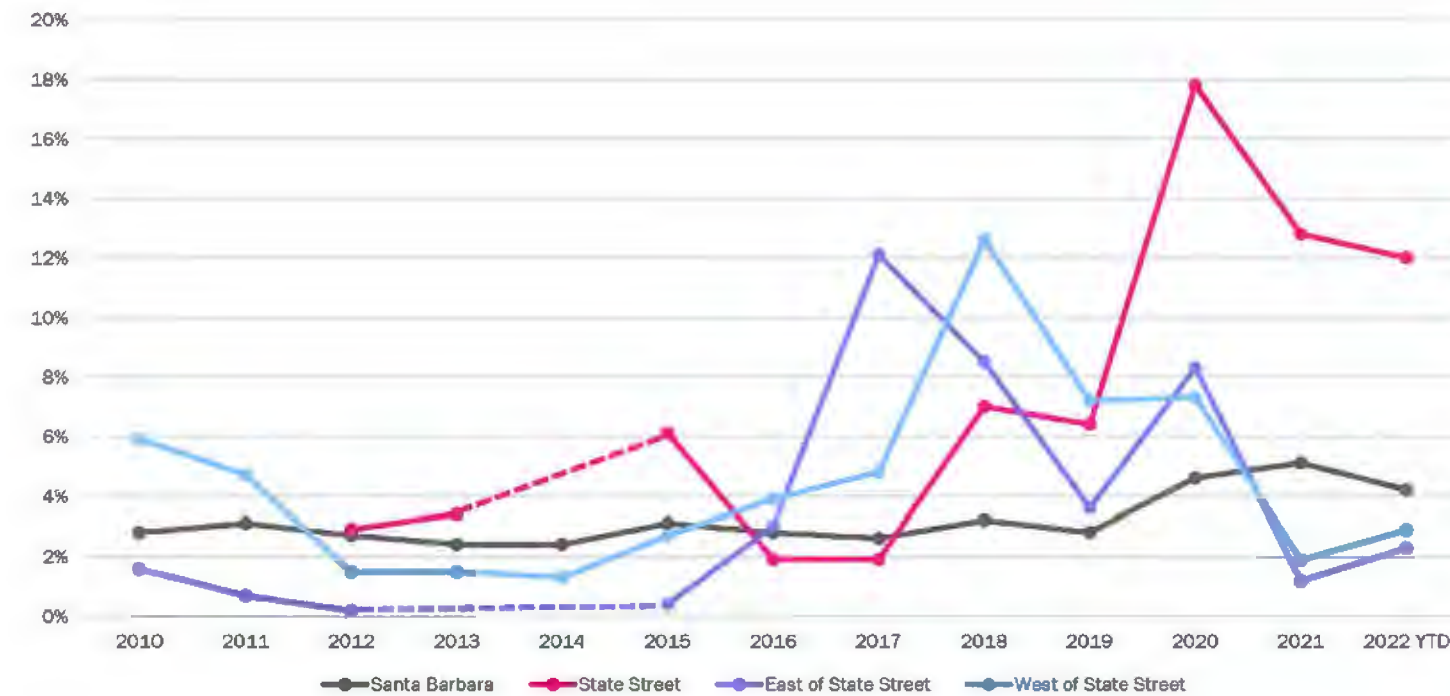
In general, Santa Barbara has small office properties compared to the rest of the region. This means that there may be more turnover in Santa Barbara offices because office users typically move to larger buildings or campuses as tenants expand their businesses.

FIGURE 21. OFFICE RENT PER SQUARE FOOT (MONTHLY, CONSTANT 2021 DOLLARS)



Source: CoStar, 2022; Strategic Economics, 2023.
Note: Dashed line represents years without data.

FIGURE 22. OFFICE VACANCY RATE



Source: CoStar, 2022; Strategic Economics, 2023.
Note: Dashed line represents years without data.

Additionally, this means that Santa Barbara may typically see more “start-up” or small businesses utilizing office space.

The impact of the COVID-19 pandemic on the office market remains unknown nationally. However, regardless of the degree to which there is a return to

office, there will continue to be some demand for office uses, and these uses will continue to be important for supporting surrounding uses such as retail, restaurants, and hotels. State Street’s proximity to many assets within Santa Barbara will continue to make it a desirable office location.



AMAZON OFFICES ON STATE STREET

CONVERTING VACANT RETAIL TO OFFICE SPACE

In 2020, Amazon opened its new offices at 1001 State Street, employing approximately 100 engineers, with plans to add 150 more. The location is home to the Alexa Knowledge Team.

The building was previously a Saks Fifth Avenue Store, which closed in 2018. While the addition of hundreds of new employees benefits other businesses downtown, the office space removed ground-floor retail from State Street, a key component of creating a lively public space.

Future conversions of large retail spaces to office space should be encouraged, but attention should be paid to maintaining ground floor retail along State Street wherever possible.

FIGURE 23. HOTEL INVENTORY BY NUMBER OF BUILDINGS AND ROOMS

Geography	2010		2022 YTD	
	Number of Buildings	Number of Rooms	Number of Buildings	Number of Rooms
On State Street	1	75	1	75
East of State Street	0	0	1	17
West of State Street	2	158	2	158
Total State Street Study Area	3	233	4	250
Santa Barbara	63	3,629	66	3,843

Source: Costar, 2022; Strategic Economics, 2023.

HOTELS AND HOUSING

Neither hotels nor housing represent a significant percentage of building inventory in the State Street Study area, but there is substantial interest from stakeholders in further exploring both of these uses. Presently, hotels comprise approximately 5 percent of the building square footage in the State Street Study Area, and housing comprises approximately 3 percent. This square footage is comprised of only four hotels with approximately 250 rooms and approximately five multifamily buildings with 100 housing units. However, there are a few hotel and housing projects currently proposed or under construction in the State Street study area.

Hotel Real Estate Market Performance

Hotels in the State Street Study Area account for approximately 7 percent of the hotel rooms in Santa

Barbara. The hotels are not concentrated on State Street itself, and the newest hotel in the study area is in the East of State Street subarea. As shown in Figure 23, the hotel inventory has been generally stable over time in both the State Street Study Area and Santa Barbara.

The hotel market is strong in Santa Barbara and in the State Street Study Area. Tourism is a major component of the economy in Santa Barbara, and both tourism and business travel have contributed to high hotel rates and occupancy rates. The hotel on State Street outperforms the average for Santa Barbara and the others in the study area on an average daily rate basis, as shown in Figure 24. After a slight dip during the beginning of the COVID-19 pandemic, average daily rates have more than recovered across the geographies. Similarly, occupancy rates have been fairly stable over time and have recovered from the expected decline in 2020, as shown in Figure 25.

FIGURE 24. HOTEL AVERAGE DAILY RATE (CONSTANT 2021 DOLLARS)

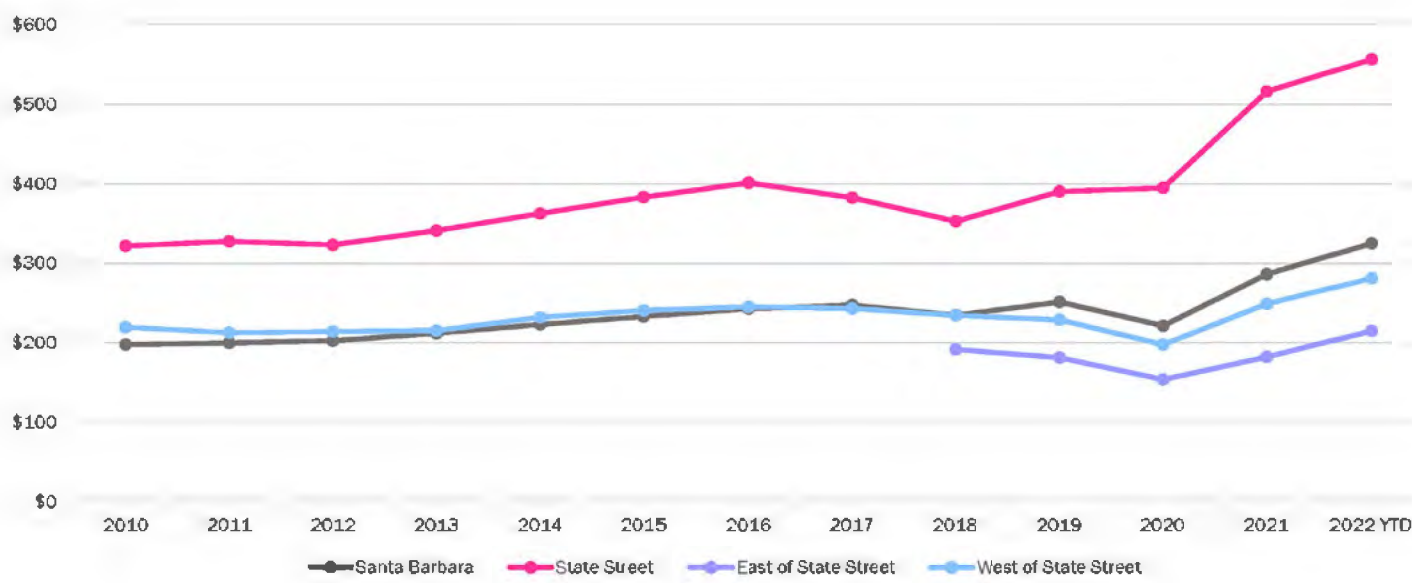
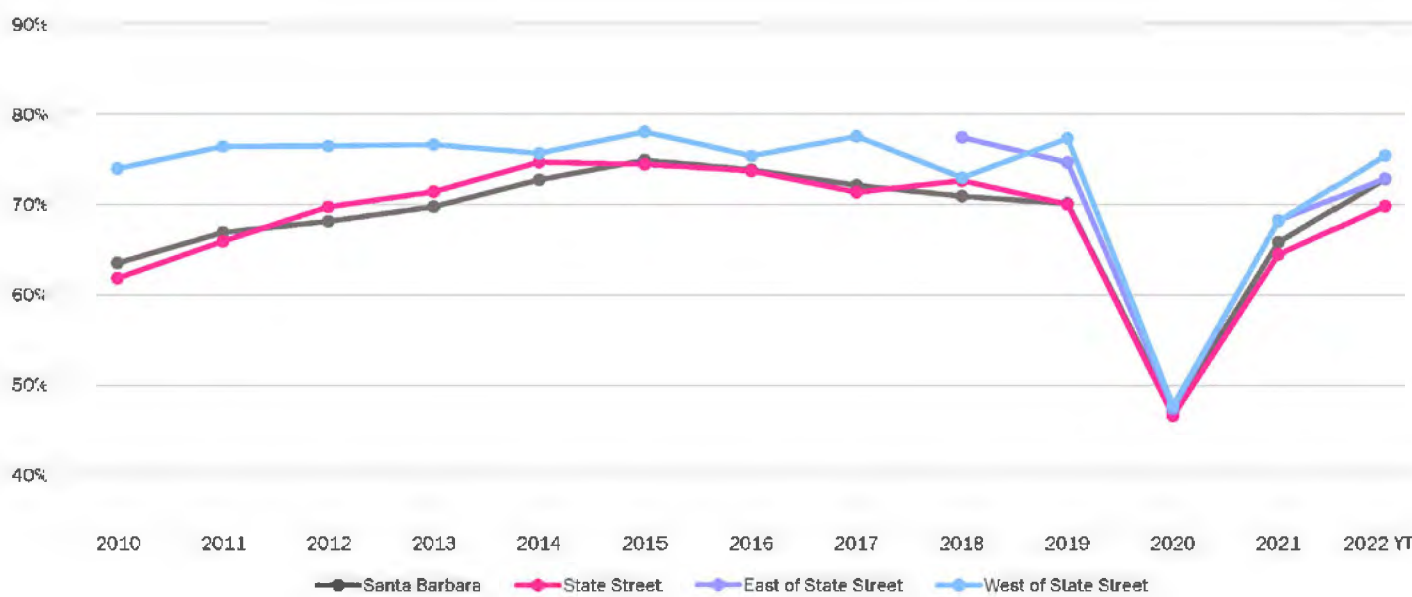


FIGURE 25. HOTEL OCCUPANCY RATE



Source: Costar, 2022; Strategic Economics, 2023.

FIGURE 26. MULTIFAMILY HOUSING INVENTORY BY NUMBER OF BUILDINGS AND UNITS

Geography	2010		2022 YTD	
	Buildings	Units	Buildings	Units
On State Street	0	0	0	0
East of State Street	2	28	2	28
West of State Street	1	17	3	72
Total State Street Study Area	3	45	5	100
Santa Barbara	571	9408	586	9925

Source: CoStar, 2022; Strategic Economic, 2023.

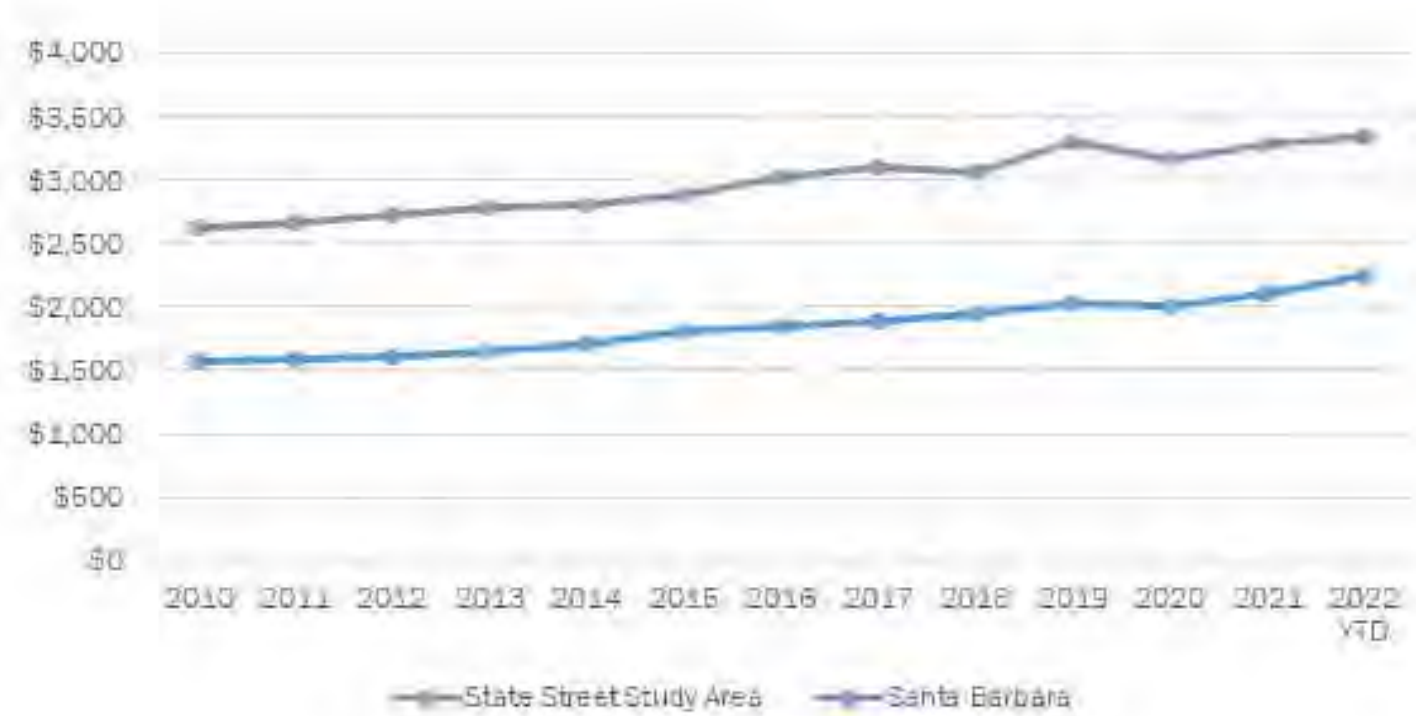
55 units
constructed
in 12 years.

Multifamily Housing Real Estate Performance

Multifamily housing is a small component of the existing landscape of the State Street Study Area. Multifamily units in the State Street Study Area account for only 1 percent of the units in Santa Barbara. As shown in **Figure 26**, the amount of housing in the study area has increased slightly over time. The newest housing was built in 2022 in the West of State Street subarea. There are anticipated to be some new housing developments proposed within the area.

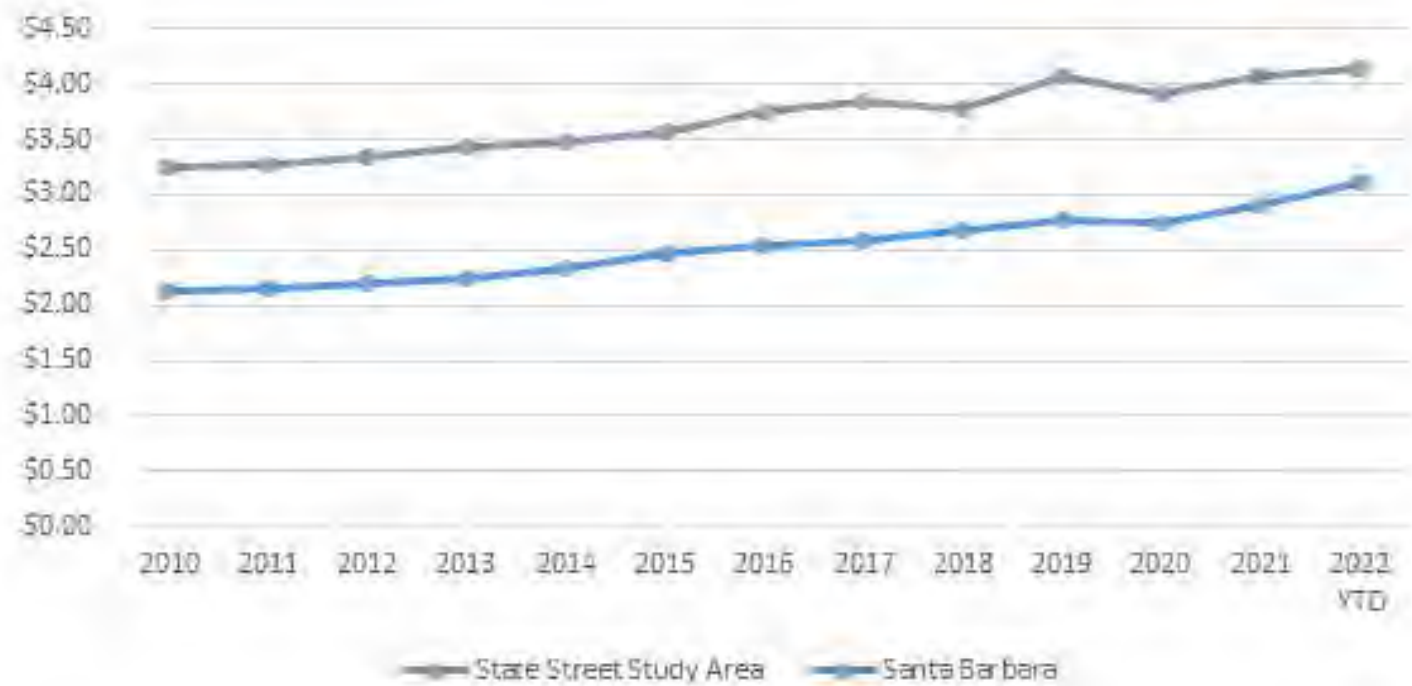
The existing multifamily units in the State Street Study Area have a higher average rent per unit and rent per square foot than the averages in Santa Barbara, as seen in **Figure 27** and **Figure 28**. Due to the small number of units, the vacancy rate has also been more volatile at times, but the trends have generally followed the trends in Santa Barbara as shown in **Figure 29**. Additional multifamily housing has strong market potential based on the existing rental and vacancy rates, but financial feasibility of these projects may be impacted by numerous factors such as the cost of redeveloping in historic areas.

FIGURE 27. AVERAGE RENT PER UNIT IN MULTIFAMILY BUILDINGS



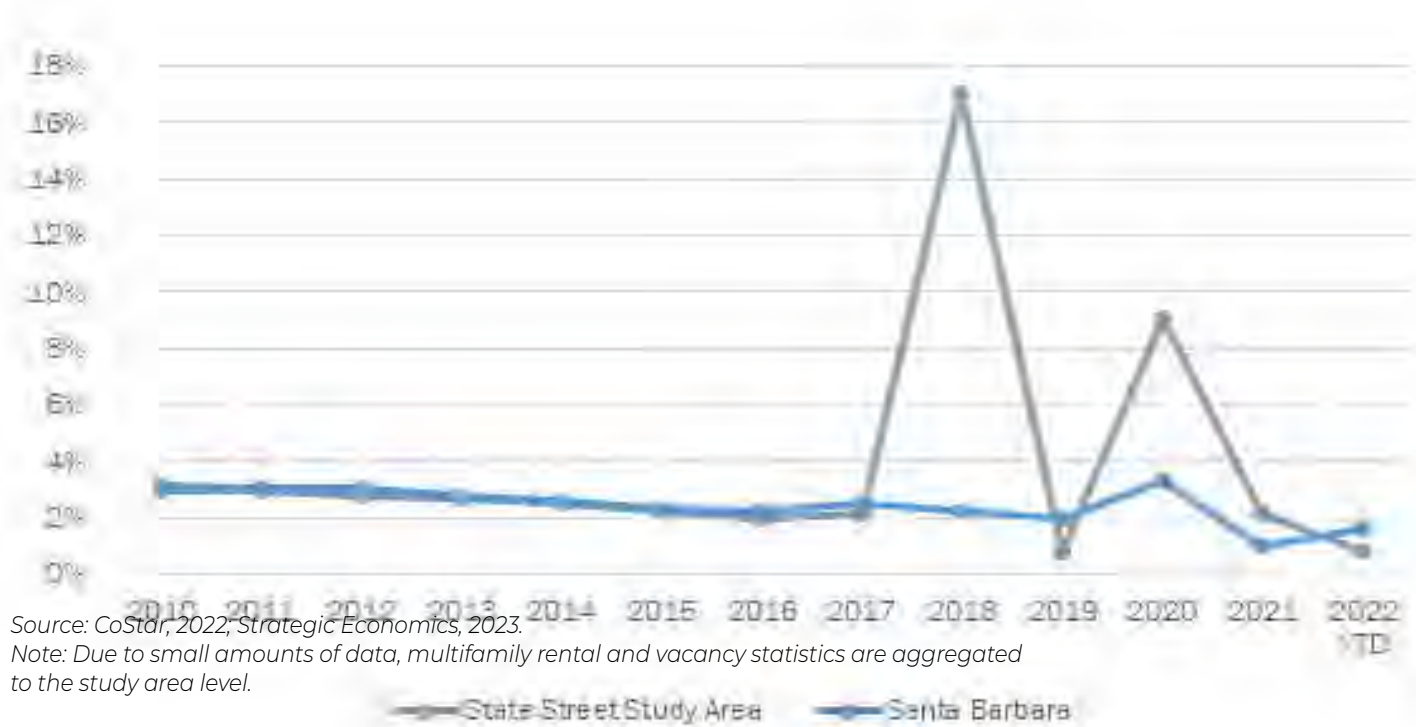
Source: CoStar, 2022; Strategic Economics, 2023.
Note: Due to small amounts of data, multifamily rental and vacancy statistics are aggregated to the study area level.

FIGURE 28. AVERAGE RENT PER SQUARE FOOT (MONTHLY) IN MULTIFAMILY BUILDINGS



Source: CoStar, 2022; Strategic Economics, 2023.
Note: Due to small amounts of data, multifamily rental and vacancy statistics are aggregated to the study area level.

FIGURE 29. VACANCY RATES IN MULTIFAMILY BUILDINGS



Source: CoStar, 2022; Strategic Economics, 2023.
Note: Due to small amounts of data, multifamily rental and vacancy statistics are aggregated to the study area level.

STATE STREET CHARACTER AREAS



BLOCK BY BLOCK CONDITIONS ON STATE STREET

The existing conditions on State Street have been an important point in the conversation regarding future policy plans for parklets, street closures, supporting additional uses, and more. State Street, being primarily comprised of retail uses, often fluctuates in terms of vacancies and turnover of tenants. Strategic Economics, city staff, and local developers and brokers walked throughout the State Street study area, particularly on State Street itself, to assess conditions beyond what the market data can show. The focus of many of these discussions pertained to the viability of businesses, the prospect of adding additional uses or renovating existing uses, and logistics related to parklets and the street closure. The following summary by block is informed by these observations.

400-600 Blocks

The 400-600 Blocks of State Street are generally considered “Old Town”, the Restaurant and Bar District, or the Entertainment District. This area has done well, particularly the 500 block. **This area has a high concentration of outdoor dining and licenses to serve alcohol**, and it is also the closest area of State Street to other major Santa



Barbara attractions such as beaches and the Funk Zone. Despite still being popular, the lack of office workers has limited daytime services, and business is most concentrated in the evenings and weekends. Stakeholders noted that the conditions of the wider sidewalks on the 500 and 600 blocks, and easy alley access have benefited the feel and success of this area. However, narrower sidewalks on the 400 block remain a concern. Nearby market activity, and local developers, indicated an interest in pursuing additional housing, hotel, or mixed-use projects in these blocks, particularly in the 400 block.



Many stakeholders suggested that this area would be in better condition with stronger programming, such as markets, focused retail attraction and retention efforts, and additional family friendly and kid-oriented activities. In the 800 and 900 blocks, both hotel and housing uses have been proposed recently. The 1000 block also acts as a transition zone to the livelier blocks to the north; this has been mostly characterized by the addition of Amazon, multiple owner-user spaces, and both an office and restaurant preparing to open soon.

1000-1300 Blocks

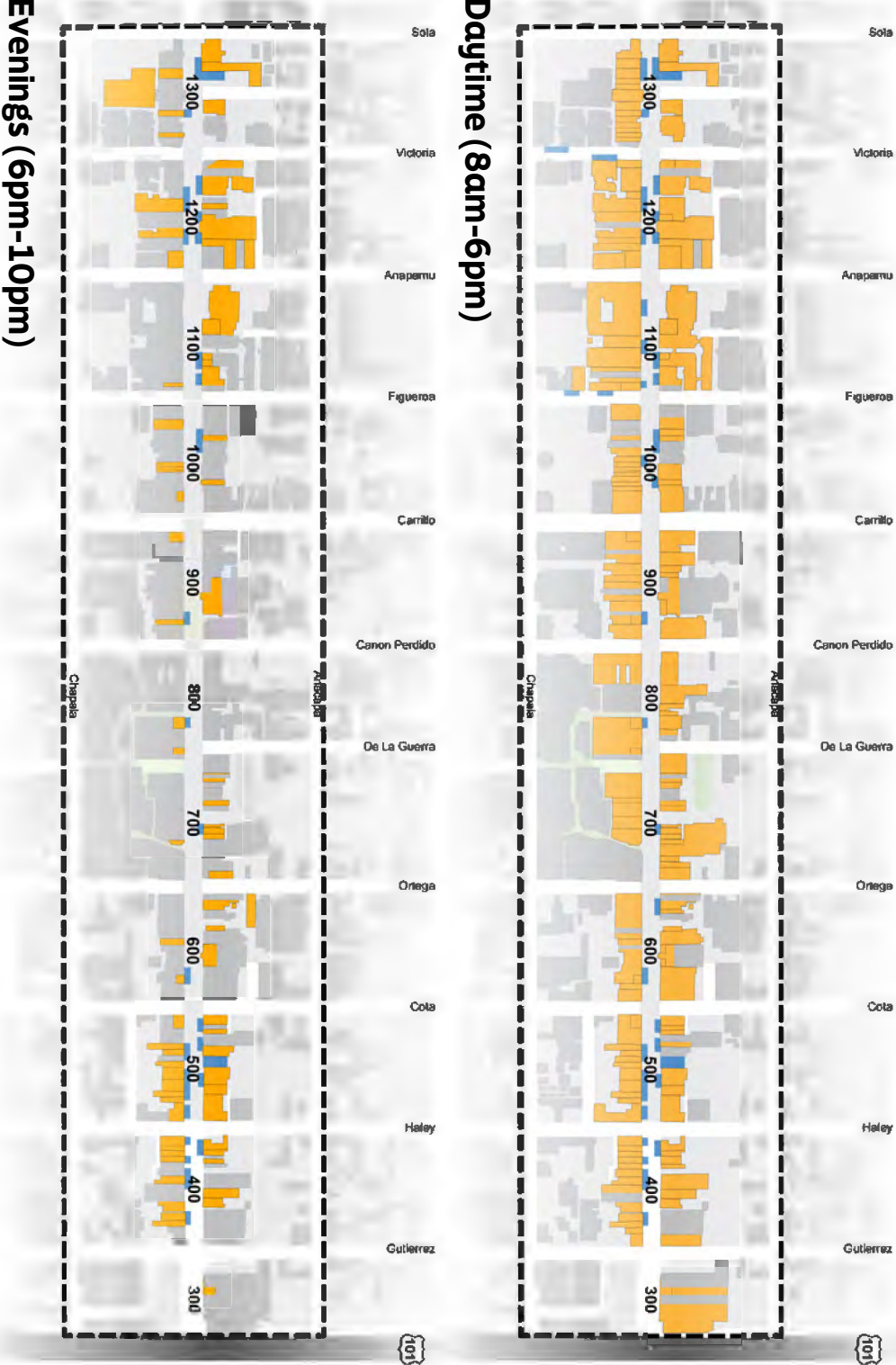
The 1000-1300 blocks are generally considered the Arts District of State Street and are also well-populated with both retail and restaurant uses. General stakeholder sentiment was that this area is doing well and is marketing itself as an arts district successfully.

Renovations of the Santa Barbara Museum of Art were completed within the last year, and businesses have been successfully sharing spaces with unique configurations. One area was able to add a housing unit on top of a commercial space through an office conversion. Some spaces have remained stubbornly difficult to fill, and delivery and access issues remain a concern, but overall sentiment indicated satisfaction with this area, particularly for locals.

700-900 Blocks

The 700-900 blocks of State Street have the greatest concentration of traditional retail uses, but lacks restaurants or bars, which have become critical anchors for other segments along the Street. As shown in **Figure 30**, this creates a significant gap in evening activity, and this area is considered the least active and least upkept by many stakeholders. This area has struggled with vacancies. The spaces here are uniquely shaped, often long and narrow, which is a historical footprint that modern day businesses have struggled to adapt to.

FIGURE 30. BUSINESS OPENING TIMES





3 LITERATURE REVIEW: SMALL DOWNTOWNS AND ECONOMIC HEALTH

Santa Barbara is a small city that can learn tactics for reinvigorating its downtown from both small towns and larger cities.

To better understand strategies for bringing State Street back to vibrancy, Strategic Economics conducted a literature review of small downtowns and economic health, including COVID-19 recovery outlook. The key takeaways of this literature review for State Street are related to incorporating equity, promoting a diverse use of space, and capitalizing on the place itself as an asset, as described below.

Asking questions regarding equitable opportunities and outcomes, such as who is benefitting from public space investments and whether businesses and consumers

of different races, incomes, and abilities are thriving in these spaces can capture a better understanding of the success of various investments and the inclusiveness of economic impacts. Traditionally, economic value for public spaces and public investments are measured by metrics such as land and property values and costs savings for cities. However, these metrics do not necessarily capture what makes a place feel vibrant, inclusive, or exciting.

A 2021 study by Brookings explored whether there are economic benefits of public spaces that are not captured by traditional metrics by examining recent public space investments in Albuquerque, New Mexico, Flint, Michigan, and Buffalo, New York. **Each of these cities had recently implemented various programs ranging from small business incubation to more active programming in public spaces, to subsidizing rent for vendors and small businesses as part of downtown revitalization efforts.**

Through a series of interviews, researchers found that these public space investments, which had each aimed for a more inclusive process, had positive impacts on consumers, businesses, and prompting additional private investment. Their key findings were:

1. **The investments helped to shift public perceptions.** Diverse activation of spaces through investing in programming, promoting mixed-uses, and supporting underserved small business owners were viewed as key to fostering more economic resilience. People who had long forgotten their downtowns were incentivized to return, stay, and support the small businesses there. In at least one of these cities, interviewees expressed that these investments made their perceptions of the city's overall economic health improve.
2. **Public investments prompted private investment.** Interviewees largely felt that public investment gave the private sector more confidence in investing in the downtowns. The combination of both public and private investments was seen as crucial for garnering enough foot traffic to really catalyze small business support.
3. **Public spaces, when intentionally designed, can serve as business incubators.** Strategic decisions

such as providing below market rate retail and street vending spaces, creating a commercial kitchen, and providing business support and mentorship were critical. These decisions supported highly localized solutions that helped entrepreneurs and inspired consumers.

Strategic, localized solutions that work to support a place's existing assets are crucial for filling vacant spaces. While business recruitment can play an important role in filling vacant spaces, focusing solely on this method instead of growing existing, local assets can be a missed opportunity. In Euclid, Ohio, the City, in partnership with downtown property owners, implemented strategies for filling vacant spaces on their main street have focused on supporting local, Black and Hispanic/Latino owned, small scale manufacturing businesses. Their strategy incorporates four key elements:

1. Training aspiring retail business owners in small scale manufacturing,
2. Identifying flexible commercial spaces,
3. Providing targeted rent subsidies, and
4. Promoting the space and the businesses in it.

This set of strategies is particularly pertinent for areas with difficult to fill buildings due to size and configuration issues, which is an issue on State Street.

To accomplish this, over a 12-month period the Mayor and other city leaders worked to identify small-scale manufacturers, interviewed local entrepreneurs, and ran a small business competition, called Recast Small Business. Next, the City, through a public private partnership with downtown property owners, identified flexible commercial spaces, created a rent subsidy fund, and took a master lease on four adjoining vacant spaces. They have also provided business training and support for skills such as pricing, marketing, e-commerce, and distribution. This combination of strategies is especially useful for scaling up home-based businesses or startups that need simple manufacturing space.

Examples of businesses that can fill spaces under these conditions are businesses creating goods like specialty food items such as hot sauce, jewelry makers, candle makers, and other craft trades. Long buildings can be sectioned as part retail and part visible manufacturing space which provides a dual benefit to the business owner, and which can provide an exciting experience for consumers to witness the behind-the-scenes processes. Supporting home-based businesses scaling in this way is also useful in that these businesses typically already have an online



Call for home-based businesses and small-scale manufacturers for Downtown Euclid

Do you manufacture a replicable product (handbags? hot sauce?) out of your home, co-working or other launch space? You are a small-scale manufacturer (SSM) and we would love to get to know you and potentially help grow your business in Euclid, Ohio!

The City of Euclid is part of a year-long national cohort - Recast City (<https://www.recastcity.com/>) - to revitalize commercial districts with vibrant makers and business owners just like you. We will be speaking with SSMs in July to learn more about what YOU do and what YOU need to successfully scale up your business into a presence in Downtown Euclid. We are not limiting our interviewee group to Euclid-residents or current Euclid-based businesses, either.

We look forward to reaching out to you this summer to set up an interview and working together towards growing a vibrant downtown. Please fill out the form below before July 1, 2021.

customer base which supports their business and ability stay in the space while foot traffic and attraction to the area grows.

State Street can adapt findings from the efforts described in this literature review to create a highly localized strategy that puts local consumers first, supports small businesses, maximizes the use of historic buildings with difficult configurations, and which supports inclusive economic growth.



4 CASE STUDIES

State Street is a unique place with its own, localized assets and challenges. Solutions that have worked in other places cannot be exactly replicated to the same effect on State Street, but there is still important information and ideas that can be gleaned from other communities who have been addressing similar issues.

Strategic Economics conducted three brief case studies in communities that were suggested by stakeholders, and which have had similar economic conditions or planning efforts. Communities studied for this effort include Boulder, Colorado, Greenville, South Carolina, and San Luis Obispo, California, and lessons from these case studies are described in detail below.

SAN LUIS OBISPO, CALIFORNIA

Downtown San Luis Obispo, located approximately 100 miles from Santa Barbara, has dealt with similar questions to State Street throughout the COVID-19 pandemic related to car traffic, retail and restaurant vitality, and consumer's increasing preferences for outdoor dining.

San Luis Obispo has not closed their downtown or main street to car traffic in any significant capacity, but they have been working towards establishing a more mixed-use pedestrian oriented downtown. This includes giving preference to pedestrians and cyclists with car traffic and parking as a secondary need, pushing more of this toward the periphery.

An implication of the pedestrian orientation downtown has been the decision to make the outdoor dining program, which launched in 2020, permanent as of Fall 2022. This includes two elements with key takeaways for State Street:

- 1. **The “downtown dine-out” program utilizes a public plaza as a gathering place for patrons to eat together outside.** The program markets itself as a place to eat takeaway food from nearby restaurants. This promotes continuing to eat at small, local businesses, and it provides a space for patrons to do so outside when some restaurants may not have outdoor dining space of their own.
- 2. **For restaurants that do have outdoor dining, a fee program and design regulations have been adopted.** The fees include a onetime application fee and a use fee and differ based on whether the restaurant has a parklet, a sidewalk café, or tables and chairs, as demonstrated in **Figure 31.**

These two programs together create an active sense of place, accommodate consumer preferences for outdoor dining, and make the application of a program more level for those that have different types or no room for outdoor dining in order to support all nearby restaurants.

FIGURE 31. SAN LUIS OBISPO OUTDOOR DINING FEE SCHEDULE

Program	One-time Application Fee*	Use Fee (1/1/23-6/30/23)	Use Fee (7/1/23-6/30/24)
Parklet	\$935.87	\$1.76 / sf / month \$3,379 annually per aver size parking stall	\$3.52 / sf / month \$6,758 annually per aver size parking stall
Sidewalk Cafe	\$935.87	\$1 / sf / month	\$1 / sf / month
Tables & Chairs	None	\$1 / sf / month	\$1 / sf / month

**Fees escalated annually beyond July 2024 based on Consumer Price Index (CPI)
For parklets incorporating bike parking, the area of the bike parking is not included in the use fee.*





GREENVILLE, SOUTH CAROLINA

Downtown Greenville, South Carolina has recently gained much attention for its investment and appeal as a destination. Greenville has many similar characteristics to Santa Barbara, including its position as a smaller city with historic buildings and a diverse economy. During the peak of the COVID-19 pandemic, Greenville continued to grow economically with an unemployment rate far below the national average and over two dozen companies from a diverse set of industries announcing projects in Greenville in 2020. Much of the economic success of Greenville in recent years has been attributed to its downtown investments making it an extremely desirable location for locals, tourists, and businesses. As part of this economic success, many small businesses have been returning to the pedestrian oriented main street of Downtown with larger companies locating within the greater downtown area to support the more consumer-based uses.

Downtown Greenville's area planning has promoted its outdoor lifestyle by emphasizing its natural assets, such as Falls Park on the Reedy, through connections

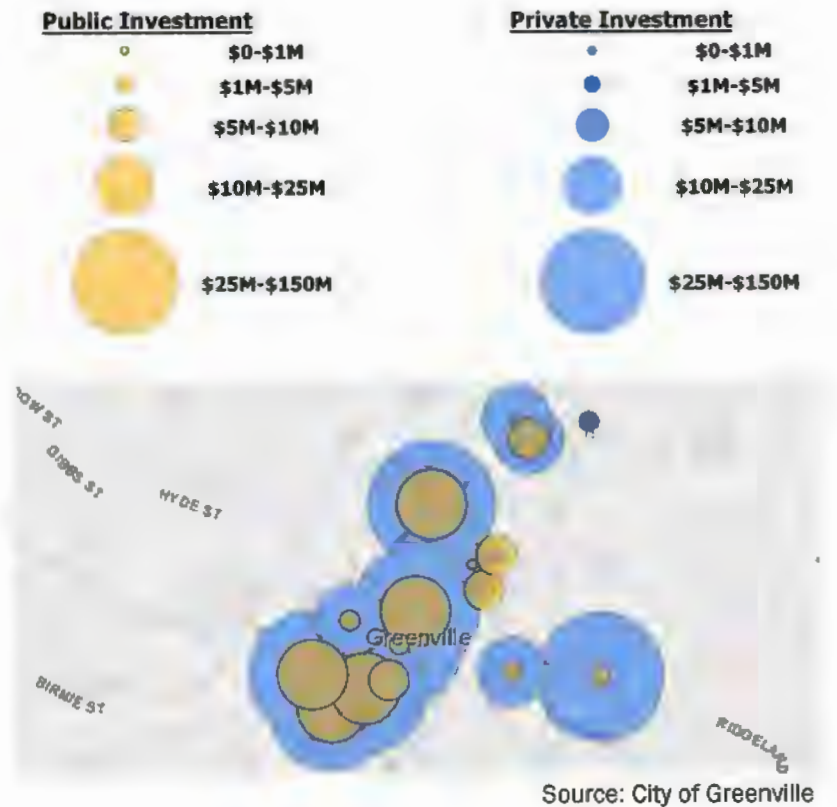
with greenbelts, public plazas, and viewpoints. Complementary landscaping and streetscaping, including ample tree coverage, wide sidewalks, a free trolley bus, and limited parking make the area pedestrian oriented. Improvements to landscaping and streetscaping have largely been funded through tax increment financing, and public private partnerships have contributed to many of the area's other improvements.

The main street in Downtown Greenville, and the collective area, fosters a strong environment for the success of retail and restaurant businesses. **With over 25 percent of downtown's residential units situated on the main street and over 320 special events hosted throughout the year**, there has been a concerted effort to make the area appealing throughout the week and during both day and night. Nearly half of restaurants in downtown participate in the city's outdoor dining program, which utilizes a European café style instead of parklets, and the high concentration of over 100 local restaurants in just 10 blocks contributes to the

area's appeal as one of the best areas to dine and drink in South Carolina. Restaurants, housing, and office uses are all co-located with retail to create a walkable and lively environment.

Like State Street, Downtown Greenville has needed to adapt its retail strategies to match consumer preferences in addition to creating a mixed-use environment. There are four crucial strategies that have been recently employed in Downtown Greenville to bolster their retail environment:

1. **Greenville has hired a retail attraction consultant to assist in filling stubbornly vacant spaces.** To maintain the curated environment, the consultant will not be focusing on national retailers such as chain stores. Rather, they will seek to recruit local businesses or businesses that have one or two existing stores in other cities but which fit the characteristics of Greenville.
1. **Businesses have shifted to hybrid-experiential retail.** Some stores have maintained their purely retail environment, but some local businesses have started hosting events or classes, such as candle making, in their retail spaces.
1. **A City-run shop local program is supporting the promotion of small businesses.** This program is evolving, but initial efforts have included providing banners, ads, and branded reusable shopping bags to participating stores.



1. **The City has a minority business accelerator program.** This program assists small business owners with creating strategic plans, targeted training, business coaching, and events and networking to build relationships with larger corporations.

Like State Street, Downtown Greenville has had to work to preserve its unique historical character, including maintaining buildings from the 1700s, while meeting the needs of today's consumers and businesses. The area has been successfully marketing itself as a pedestrian friendly destination with a focus on small businesses through its promotion of mixed-uses and targeted retail and dining strategies.



PEARL STREET, BOULDER, COLORADO

Pearl Street in Boulder, Colorado is one of the most well-known, and largely considered one of the most successful, pedestrian malls in the United States. It is four blocks long and first closed to car traffic in 1977 to provide an alternative experience to suburban shopping centers. As shown in Figures 32 and 33, properties on Pearl Street consistently have higher rents than the rest of Boulder.

Since its opening, it has had several planning “refreshes” to keep the area appealing to the needs of consumers and businesses alike. Like State Street, the area is populated with historic buildings and seeks to cater primarily to locals while balancing having a large tourist economy. **This area is maintained by the City Parks Department, and it is also part of the Downtown Business Improvement District which helps to recruit and incentivize businesses. Property owners also pay an additional tax assessment to help fund collective area improvements.**

As a pedestrian mall, Pearl Street must maintain the area as an appealing and vibrant place to maintain substantial enough foot traffic. Like the other case studies, this has largely been accomplished through a targeted mix of uses that supports activity throughout the week and during both day and night. Pearl Street is populated with a mix of locally owned stores and restaurants, art, and public spaces that particularly cater to the needs of children and families with distinct playscapes throughout the area. Special events include an annual summer concert series, the Boulder Asian Festival, and a team stampede prior to the University of Colorado Boulder’s home football games.

To maintain the local feel of Pearl Street, the area is primarily comprised of small businesses, with chain stores comprising less than 30 percent of the area businesses. Chain stores that are in the area tend to complement the outdoor lifestyle branding of the area. Furthermore, in 2017, the City passed an ordinance that requires discretionary review of all financial institutions seeking to locate in downtown retail areas in order to prevent the displacement of small retail businesses on

FIGURE 32. RETAIL RENT, NNN, PER SQUARE FOOT

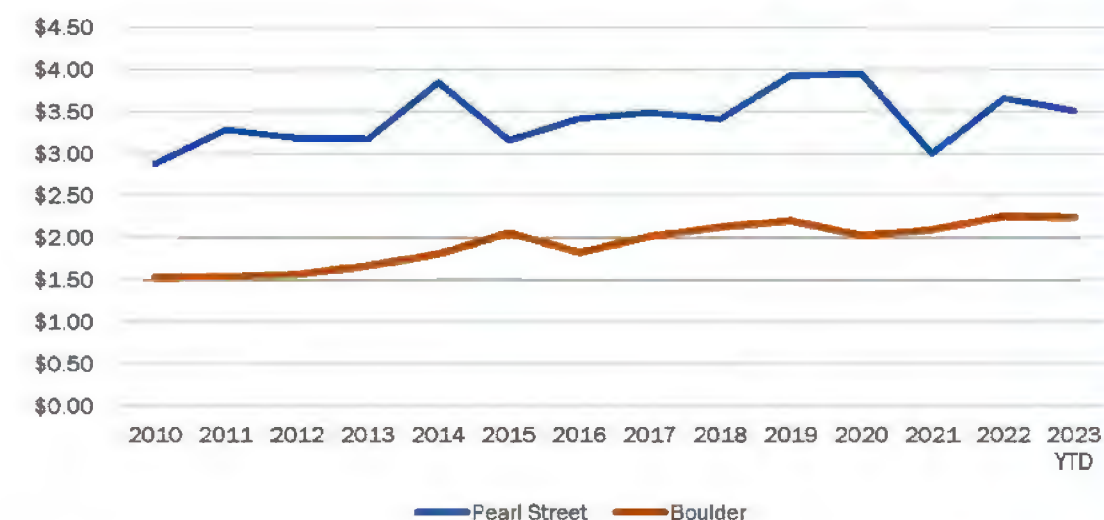
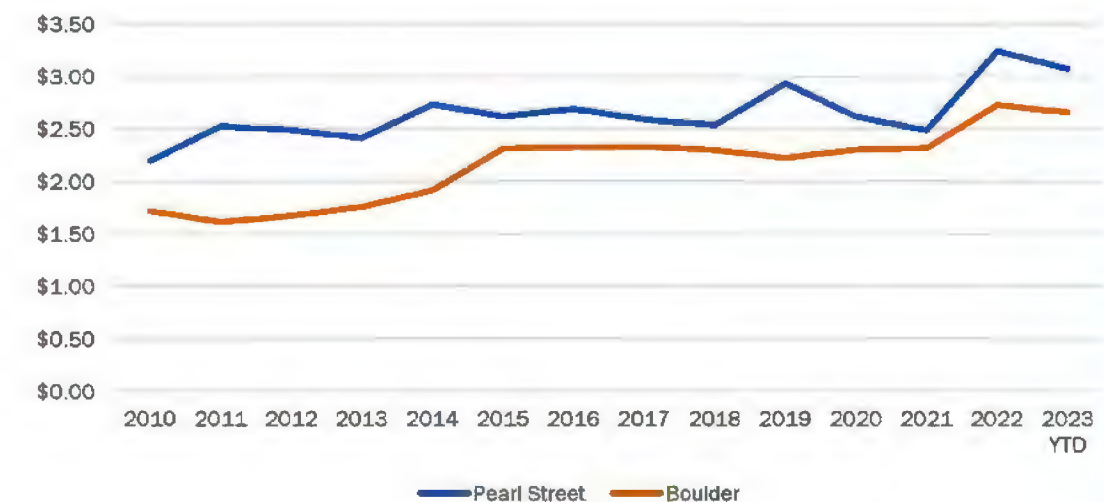


FIGURE 33. OFFICE RENT, NNN, PER SQUARE FOOT



Source: CoStar, 2023, Strategic Economics, 2023

MEASURING PEARL STREET’S SUCCESS

HOW DOES IT COMPARE?

Pearl Street is the most desired location in Boulder. It consistently has higher retail and office rental rates than other areas in the city.

- » In 2023 the retail rental rates are **27% higher** than the city average.
- » Pearl Street contributes an estimated \$4M in annual sales tax revenue.
- » Pearl Street a destination for locals and tourists. It attracts out-of-state tourists (39% of visitors), Boulder residents (36%) and Colorado residents from outside Boulder County (14%)

EXPANSION?

The Pearl Street Mall is closed to traffic for 4 blocks. During the COVID-19 pandemic, the City closed an additional two blocks on the west and east ends of the street to accomodate increased outdoor activity and dining space. Based on the success of the street closures, the City initiated a new downtown plan to study concepts for making them permanent.

The City of Boulder is considering two concepts, including extension of the Pearl Street Mall as a pedestrian - only space, or extension of the Mall as a shared street that can accomodate vehicles or be pedestrian-only as needed throughout the week or year.

and around Pearl Street by this particular type of business.

Pearl Street also accommodates outdoor dining, and in 2022 the City implemented a five-year pilot program for more permanent outdoor dining solutions, including parklets. All outdoor dining must follow specific design regulations, which have enough flexibility for individuality, and the City bulk purchased design compliant infrastructure for interested businesses. Restaurants participating in outdoor dining must pay annual fees which differ based on whether they are on or off of the pedestrian mall, whether they are locating their dining in the public right of way, and whether they are using their own design compliant infrastructure elements or participating in the bulk program. The fees are shown in **Figure 34**. Through highly local solutions, strong branding, and balancing historic preservation with the individuality of businesses, Pearl Street has been a successful pedestrian mall for decades.

**FIGURE 34. BOULDER, COLORADO
OUTDOOR DINING PILOT FEES**

Option A - Public Right of Way	Pilot Program compliant infrastructure purchased individually by eligible business	Annual Fee On-Mall (revocable permit+infrastructure): \$35/sf Annual Fee Off-Mall (revocable permit=infrastructure): \$35/sf
Option B - Public Right of Way	Pilot Program compliant infrastructure purchased in bulk by City and permitted to Eligible Businesses for 5 years	Annual Fee On-Mall (revocable permit only): \$18.76/sf Annual Fee Off-Mall (revocable permit only): \$13.13/sf
Option C - Private Property	Pilot Program compliant infrastructure purchased individually by eligible business	None

Source: City of Boulder, 2022.





5 KEY FINDINGS

State Street is a resilient area that has strong opportunities for repositioning its regional competitiveness and fostering inclusive economic growth.

In particular, the outdoor experience, historic architecture, and temperate climate contribute to the ongoing appeal of State Street, and these factors create a strong position for growing experiential based activities.

Based on the State Street Study Area economic analysis, the literature review and the case studies, the following key findings emerge:

1. **The State Street Study Area is facing challenges that started several years before the Pandemic.** The loss of major retailers like Nordstrom and Macys are indicative of larger trends in the retail industry.
2. **Although total retail sales in the Study Area have not fully regained their pre-Pandemic levels, sales are growing rather than continuing to decline.** When considered on an average sales per establishment basis, across all categories, sales had increased in 2021 to higher levels than in 2019. This suggests that some amount of natural selection has occurred, and that weaker businesses have closed while stronger businesses are continuing to strengthen.
3. **Lower rents for retail space will likely recover as the sector rebounds over time.** Trends show that retail rents tend to fluctuate over time because markets are cyclical. There is nothing to suggest that the recent rental rate declines reveal a significant structural shift in the market.
4. **Retail vacancy rates are higher than they have been in the recent past, but they are relatively stable.** Retail vacancy rates are considered healthy if

they are somewhere between 5 and 10 percent. The State Street Study Area has experienced extremely low vacancy rates for many years and although rates have increased since the Pandemic, overall rates are still below 10 percent when the Macys and Nordstrom spaces are removed from the inventory.

5. **Office vacancy rates are highest on State Street, but these are decreasing.** Office uses on State Street and in the State Street Study Area provide a vital source of support for restaurants and other businesses in the area. As other downtowns around the country have found, attracting and retaining office users to a downtown helps to diversify the customer base of support for the retail sector in these areas, suggesting that Santa Barbara should continue to focus on similar activities.
6. **Multifamily housing in the State Street Study area is performing very well.** This suggests that there is strong demand for additional housing in the area. In addition, new housing can bolster the area's appeal to companies looking for locations where their workers can walk or bike to work, as well as being able to access a vibrant restaurant and entertainment district.

7. **Outstanding “place making” builds value.** Many other small to midsize communities have invested in making their downtowns outstanding places by investing in parks, street trees, high quality locations for outdoor dining, and ongoing event planning.
8. **Targeting Locals will also draw out of town visitors.** Cities that have invested in strategies to draw local residents to their downtown by supporting unique local businesses, building community spirit with buy local campaigns, and programming events and activities for families and people of all ages establish unique places that are then sought out by tourists.
9. **The fundamentals of good downtown management are essential.** Downtowns are most successful when they are clean, safe, and welcoming to all.



6 RECOMMENDATIONS

Despite all of its advantages, Santa Barbara is not immune to the challenges affecting downtowns across the country, many of which are interconnected and have evolved over the past few decades.

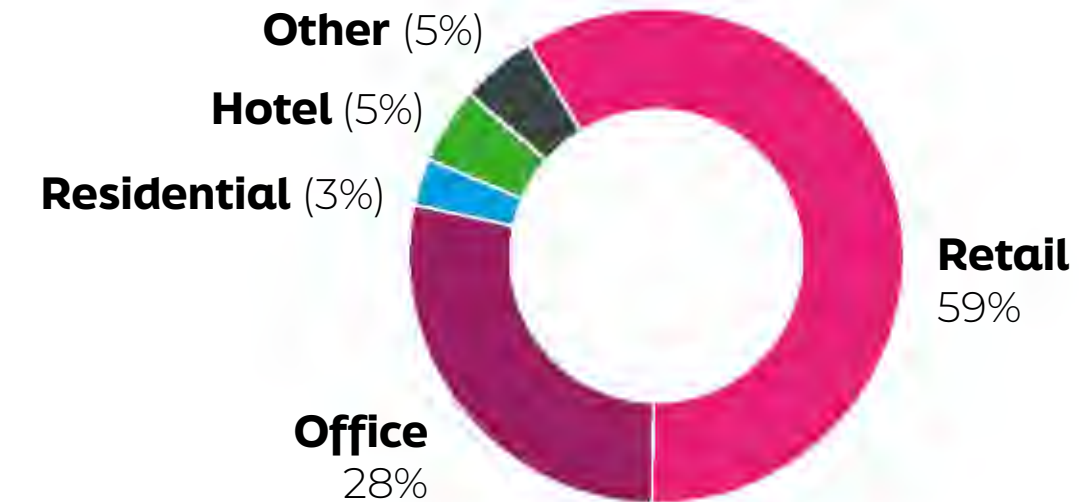
The rapid growth of e-commerce, demographic changes, and consumer preferences have changed shopping habits, leading to the sharp decline in many of the retail “anchors” that traditionally animated downtowns across North America. These trends began well before the COVID-19 pandemic, but the pandemic prompted a profound change in work habits that has exacerbated these pre-existing trends. The increase in working from home, or hybrid work has reduced the daytime population that supported downtown retail and restaurants. Combined with the retail changes, foot traffic in downtowns has dropped, leading to an increase in vacant storefronts and a sense of diminishing vibrancy.



Successful downtowns have adapted to these changes by diversifying their economic base, shifting away from a retail and office driven model to a mixed-use district focused on the downtown experience. The quality of the experience in Downtown is what will continue to attract patrons-locals and tourists-to its shops and restaurants, motivate workers to return to the office, and create a vibrant urban neighborhood.

The quality of the downtown experience is no longer reflected in the presence of signature national retail brands, but in the unique experiences that can only be

found on State Street. Downtown's culture, history and sense of place provide a strong foundation for success, but investment is needed to maximize its potential. With that in mind, **the entire State Street Master Plan is an economic development strategy**. The State Street Paseo concept, principles and strategies described throughout this master plan – inclusivity, connections, and activation – are the foundations of an economically diverse and resilient downtown. The following sections describe additional, specific, recommendations to address the current and ongoing challenges.



“Although the downtown area is the cultural and civic center of the community, it also has the largest concentration of retail space in the city. On-line shopping and changes in consumer behavior have significantly affected the retail sector, resulting in store closures, empty storefronts and high vacancy rates; the COVID-19 pandemic only exacerbated these trends.”

- 2021 Santa Barbara Economic Development Plan

DIVERSIFY LAND USES

Downtown Santa Barbara is vulnerable to the changes in retail and office markets, primarily due to its concentration of these uses. As Figure 1-2 shows, over 88 percent of the building space in the Create State study area is retail or office. This conclusion is further supported by Kosmont’s 2021 analysis of retail sales,

which indicated that “there may 400,000-500,000 sf that is not supportable in the long term, unless more customers come downtown.” Diversifying land uses and activities in Downtown is essential to addressing the overconcentration of retail and office uses, attracting more people to come downtown, and the long-term resilience of Santa Barbara’s local economy.

Bring Education Downtown

Santa Barbara is home to UC Santa Barbara and Santa Barbara City College, which together host over 40,000 students. These institutions are a major driver of the local economy but have very little presence in Downtown. UC Santa Barbara's recent purchase of the Soltara apartments on E. Gutierrez Street, as well as the Reid's Appliance store and former Staples properties, is the first time the University will have a permanent investment and presence in Downtown Santa Barbara. Located on W. Padre Avenue and Castillo Street, the Schott Campus is the SBCC's closest facility to downtown.

Both institutions present significant partnership opportunities to diversify land uses, programming, and users in Downtown. This could include student or staff housing, events and lectures or innovative educational partnerships. For example, both institutions offer hotel management and food service programs that train students for careers in the hospitality industry, and could benefit from a presence on State Street.

» The UCSB PaCE Hospitality Education Program

offers courses and certificates will be offered for entry-level, mid-level, and managerial levels in hotel management, food service, event planning, and tourism in general. The program is designed for working professionals who want to continue their education while maintaining their jobs. Classes are offered online and on campus and will be taught by local industry experts.

- » The Santa Barbara City College School of Culinary Arts and Hotel Management prepares students for positions in the hospitality industry. The program mirrors industry standards by providing training in a realistic work environment. Students have the option of selecting one of the following two areas of specialization: (1) Hotel or (2) Culinary. An integral part of each specialization is an off-campus industry-based work experience related to the students' area of specialization. Wherever possible, the City should collaborate with SBCC to locate these programs in spaces and businesses on State Street.



CASE STUDY: MSU HOTEL LEARNING CENTER

METROPOLITAN STATE UNIVERSITY, DENVER, CO

A unique combination of a higher-education classroom building, a teaching laboratory, a commercial hotel, and a conference center, the Hotel and Hospitality Learning Center is home to the Hospitality, Tourism and Event Department at Metropolitan State University (MSU) Denver, and a 150-key Marriott SpringHill Suites hotel, a 10,000 square foot convention center, and a 50,000 square foot attached hospitality learning center.

The combination of academic instruction, interactive laboratories, and real-world experience within the hotel allows MSU Denver to offer an experiential curriculum for its diverse undergraduate student population, as well as current professionals seeking continuing education. The academic program includes state-of-the-art food and beverage teaching laboratories, classrooms and faculty offices.

Encourage Creative Use Configurations.

Buildings throughout Downtown tend to have narrow, deep ground floor spaces. These spaces are inefficient and, in many cases, too large for successful retailing. While the typical 25' width supports a vibrant streetscape, the majority existing spaces are 150-200 feet deep, ranging from 3,750-5,000 square feet. The current trends for boutique retail are towards smaller spaces, ranging from 500-1,500 square feet. Some main street businesses have solved this problem by adding related functions, such as light manufacturing, assembly, or online fulfillment.

Current City codes restrict these from being sublet or employed for other uses, or require prohibitive upgrades that significantly increase costs, and limit potential investment. While maintaining active uses fronting State Street, City policies and codes should enable and encourage creative solutions that increase the economic utility of a parcel or ground-floor retail space, such as multi-tenant use and multiple concurrent land uses, including housing, services and office, light manufacturing, and storage.

Made in **PLACE**



Small-scale manufacturing and neighborhood revitalization



MADE IN PLACE

The "Made in Place: Small-Scale Manufacturing & Neighborhood Revitalization" report by Smart Growth America and Recast City explores how integrating small-scale manufacturing into downtowns and mixed-use neighborhoods can drive economic development and community revitalization. Funded by the U.S. Economic Development Administration, the report provides strategies for communities to support local producers and enhance urban vitality. The report identifies three types of small scale manufacturers and the types of space they need, and strategies to encourage small scale manufacturing downtown.

ARTISAN INDUSTRY

A business using small tools, light machinery, and and tools. These businesses are most often consumer-facing and sell through a variety of channels, including online, at craft fairs or pop-up markets, and/or in a small storefront.

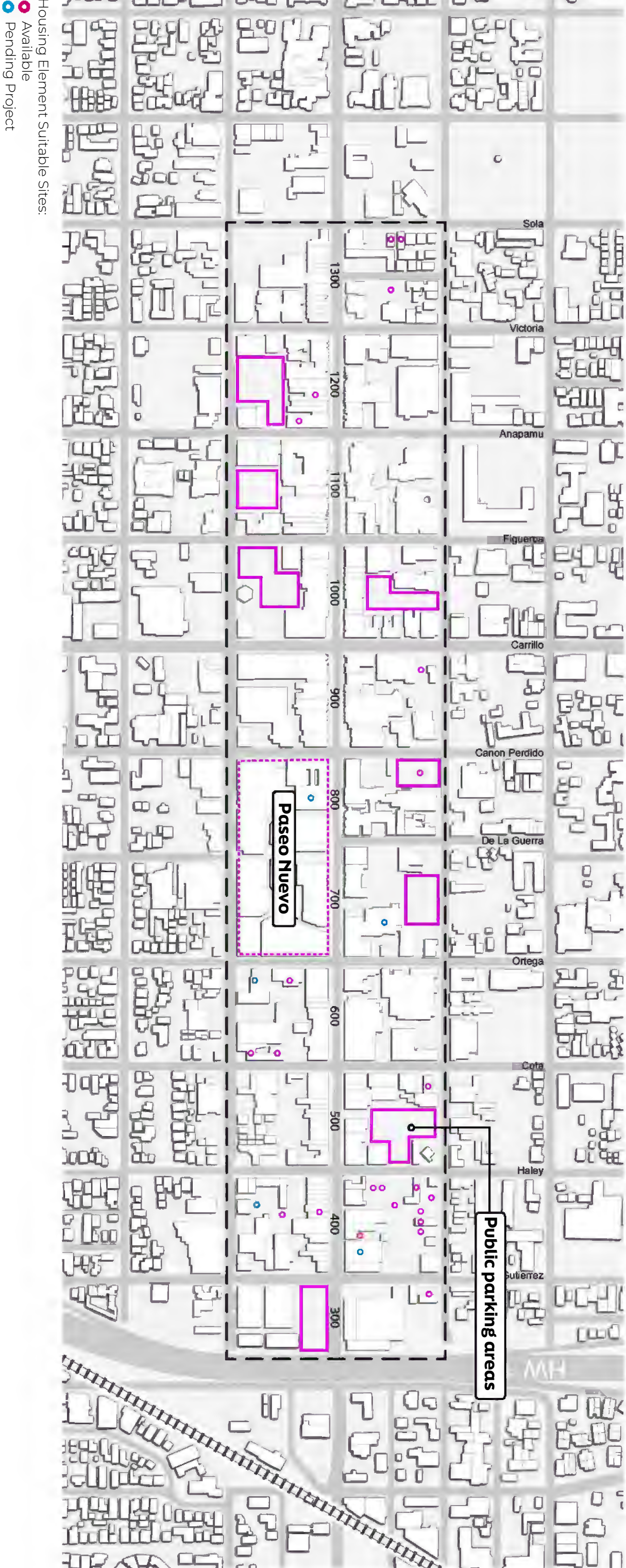
SMALL PRODUCTION

These businesses might provide contract production services to other designers and producers alongside production of their own items. These businesses may or may not be interested in scaling from this size. These businesses produce goods for both consumers and other businesses, and may sell direct to consumers and/or wholesale.

SMALL PRODUCTION AND SCALING

A scalable business with ownership that wants to grow. These usinesses often workin textiles, hardware, or food/ beverage, with some or all production on site. Some of these businesses may have a dispersed production model and use multiple contract anufacturers for specialized items.

FIGURE 35: HOUSING OPPORTUNITIES

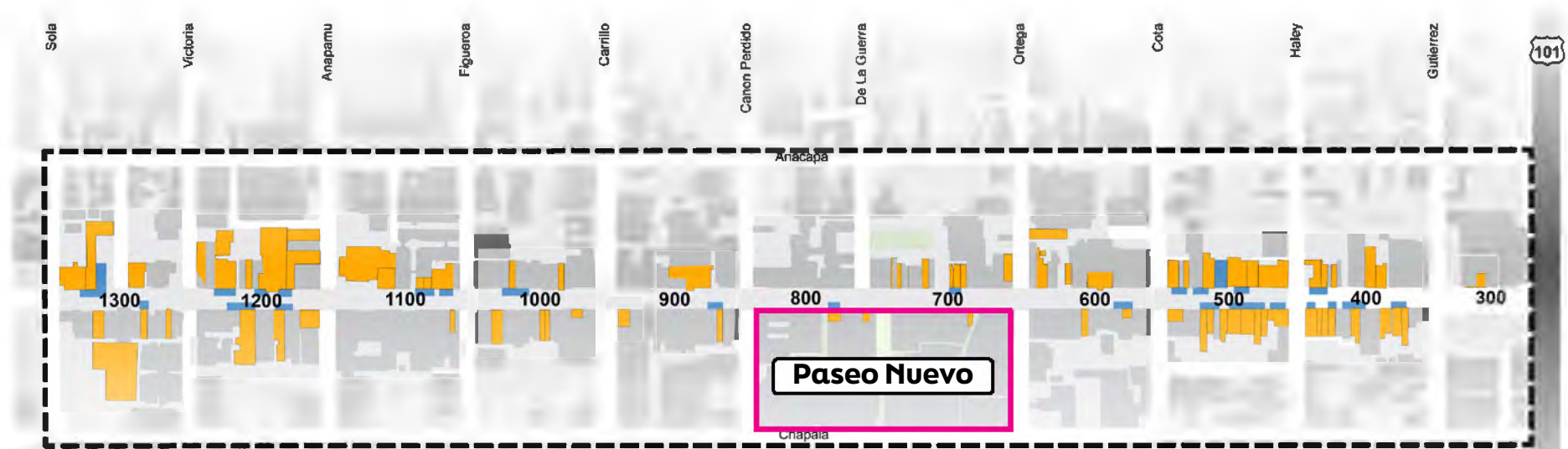


CATALYZE HOUSING CONSTRUCTION DOWNTOWN

The critical missing ingredient in Downtown is housing. Prioritizing additional housing construction is a proven method to revitalize Downtowns across America because increased housing results in Downtown population increases, which in turn expands the customer base and demand for services. Downtowns that operate as mixed-use neighborhoods also typically feature a heightened and more stable level of vibrancy because they are less subject to the ebbs and flows of office worker schedules, retail hours, meal rushes, and entertainment timelines.

As of August 2023, there are 100 housing units within the State Street study area, one percent of the City's multifamily units. The existing multifamily residential units in the study area have significantly higher average rents per unit and per square foot, compared to the average in Santa Barbara, indicating there is demand and strong market potential for development. Despite this, only fifty-five units were constructed between 2010-2022.

While it is challenging to identify the specific number of housing units required to provide the vitality needed to balance other uses and activities Downtown,



Redeveloping Paseo Nuevo adds new housing to Downtown generally, and new residents and activity where it is needed most

Evenings (6pm-10pm)

- Open Businesses
- Parklets

metrics from the Urban Land Institute, EPA Smart Growth Initiative and US Green Building Council suggest between 2-3 jobs per housing unit. The 2021 Kosmont study identified 6,480 jobs in the State Street study area, suggesting 3,240 - 2,160 residences are needed.

The City's 2023 Housing Element identifies 1,349 pending and potential residential units in the Downtown area, based on analysis of available sites. In addition, the City is negotiating with the leaseholder to add new residential units in Paseo Nuevo. Additional projects are being planned and considered in the study area, but the disparity between the market potential and completed projects suggests there are barriers to development that need to be addressed.

Developing the amount of housing needed is a long-term goal that will require significant public and private sector investment. The following actions are recommended to catalyze this process:

Redevelop Underutilized Parcels

Work with property owners and establish partnerships and incentives to convert public and privately owned parking lots to multi-unit housing. The publicly owned Downtown Parking system includes multiple surface lots that could be developed without losing the overall parking supply.

Existing parking could be retained in a parking structure as part of development. A redevelopment study is needed to identify the best redevelopment opportunities based on access, size and shape of parcels, and other factors. Given that the Downtown Parking system is publicly owned land, the City could facilitate development by providing the land at no cost to a partner developer, subject to meeting City goals and criteria.

Redevelop Paseo Nuevo.

Partner with the Paseo Nuevo leaseholders to redevelop the property with new housing units. The Paseo Nuevo property is a significant asset and is under performing as a retail mall. This creates a significant opportunity to increase housing in Downtown, and diversity land uses in the heart of the State Street Paseo.

Reduce Barriers to Development:

Provide Water Quality Treatment

Water quality treatment requirements are necessary to ensure the ecological health of streams and waterways in Santa Barbara, as well as reduce pollution in the channel. However, due to the constrained nature of the properties, the costs to satisfy the treatment requirements are a barrier to housing development, in particular affordable housing. Water quality treatment can be done more efficiently and cost effectively on a larger scale, rather than parcel by parcel. It is possible to create water quality

management infrastructure as part of the State Street Paseo redevelopment that collects and treats runoff from adjacent parcels, thereby removing a significant barrier to development. The added costs to construct and maintain the system could be offset by a stormwater fee applicable to adjacent parcels that do not treat their stormwater on site. To incentivize affordable housing, the stormwater fee could be waived.

Leverage Public Amenities to Build More Housing

The State Street Paseo will create high quality open space for residents and visitors to Downtown. For housing projects within the Create State Master Plan area, eliminate all residential open space development standards, regardless of the housing unit type.

Reduce Policy Barriers to Housing Development

Conduct regular economic studies that evaluate housing production rates, changes in market conditions, and how the City's permitting process influences project feasibility for housing developers. Update the City's rules, regulations, and processes as needed to ensure that new multi-unit housing and mixed-use projects are economically viable with methods such as:

- » Prioritizing housing use. Establish multi-unit housing and mixed-use development as a preferred land use Downtown.
- » Shortening permitting timelines. Establish an

expedited permitting process for multi-unit housing and mixed-use development that reduces permit review timelines by reducing review criteria, increasing staff capacity, and prioritizing project review.

- » Providing financial incentives. Create financial mechanisms that incentivize new multi-unit housing and mixed-use construction such as reducing or deferring property taxes, reducing or eliminating permit fees, and providing low interest loans.
- » Establishing by-right development. Establish by-right development and zoning standards that provide certainty and predictability for housing and mixed-use projects.
- » Establishing objective review standards. Establish an optional entitlement process for multi-unit housing and mixed-use projects that includes solely objective review standards and allows that buildings be constructed, without a community benefit determination, to the maximum height limit allowed by the City Charter.
- » Increasing or eliminating density limits. Increase allowable density or eliminate maximum density limitations for multi-unit housing and mixed-use to allow a variety of unit sizes and affordability levels.

Facilitate Adaptive Reuse of Existing Structures.

Provide incentives, promote flexibility, and encourage creativity for adaptive reuse projects that convert

existing structures Downtown to multi-unit housing to reduce construction waste and extend the life of existing buildings. Develop a conversion template with expedited and simplified permit review that allows unlimited density for housing projects that convert existing interior floor area.

Encourage a Diversity of Housing Options and Affordability Levels

Encourage a range of housing options and types to suit a diversity of user-groups and affordability levels. Prioritize housing for Downtown workers. Encourage creative configurations and development structures like employee-sponsored housing, housing consortiums, co-op ownership structures, co-living configurations, micro-units, and live-work development.

Enhance Funding for Affordable Housing

Enhance permanent revenue streams to fund Affordable housing through new tax measures, expansion of the Local Housing Trust Fund, bond measures, or other financial tools. A Downtown sales or lodging tax could help provide funding for affordable housing within the Downtown area.

Ensure Housing is Used as Housing for Locals

To the extent legally feasible, ensure that housing is used as housing for our local South-Coast community by establishing local-preference housing policies, enforcing rules on short-term rentals, and increasing taxes for units that are not used as primary residences.

GROW EXISTING BUSINESS & CULTIVATE NEW INVESTMENT

Local businesses are the backbone of Santa Barbara's local economy because they create jobs that maintain a high quality of life for our community, provide essential goods and services, and contribute significant local tax revenues. Retaining and growing existing businesses is a common economic development strategy because long-term business operations provide economic stability, and it is typically cheaper and easier to grow existing business that have roots in our community than recruit new businesses. However, new business must still be cultivated to grow our local economy and revitalize Downtown, which in turn will create new jobs, spur innovation and creativity, and expand economic diversity.

Create an Economic Development Department

It is not an accident that the majority of successful, vibrant downtowns are supported by local Economic Development offices and business improvement districts. Promotion, support and management of Downtown is essential for its success. This typically requires a partnership between the private sector, City government and a dedicated Place Management Organization. Each of these entities have distinct and vital roles for the development, promotion and management of downtown.

Multiple studies have identified the need for a City

economic development team that is responsible for supporting a sustainable, equitable, and inclusive Santa Barbara economy. This team could create and manage economic growth programs, provide technical support for businesses, assist in navigating the City's procedures and regulations, and coordinate with tourism, visitor, business, and event groups. This team would manage business incentive and financial assistance programs, cultivate strategic partnerships for redevelopment, and identify opportunities for enhancing retail in Downtown Santa Barbara.

Invest in Downtown Businesses.

The economic health of Downtown is critical to the overall fiscal health of Santa Barbara, and it is appropriate for the City to invest in financial incentives that support business retention, growth and new investment. Incentive programs could include reducing or deferring property taxes, reducing permit fees, providing low interest loans, and creating grants. Financial incentives could include:

Enhancement Grant/Loans

these grants are intended to enhance the leasability of available ground floor spaces by facilitating physical improvements to meet building code requirements or provide other needed upgrades that make the spaces more attractive and viable for prospective tenants. These could be awarded to potential tenants or landlords, and could be grants or zero-interest loans, in order to offset the upfront improvement costs required to lease a space.

Business Incentive Fund

these programs are intended to attract new retail tenants to Downtown, and could include grants, loans or tax deferrals as needed. Preference could be given to prospective local businesses that meet City ownership and need criteria.

Small business loan-guarantee program

Often, small local businesses cannot lease Downtown space due to credit history and loan requirements. The City can address this by creating a loan guarantee program to help locally-owned retail business owners meet landlords or lending requirements.

Utilize City-Owned Spaces

Add leasing criteria for City-owned retail spaces that gives priority and discounts to local retailers that are unable to meet typical landlord requirements or market rents.

Employ a Retail Advocate.

A retail advocate is a matchmaker between potential tenants and retail brokers to facilitate filling available spaces. The retail advocate finds local or unique businesses and matches them to available spaces in Downtown. They are not brokers, and do not work on commission. They are employed by the City or Place Management Organization, with the goal of curating retail on the Grand Paseo to reflect the vision each of its districts and create a unique shopping experience.

Develop a Entrepreneurship Program

Santa Barbara and broader South Coast region are undoubtedly home to numerous entrepreneurs that have great ideas, products and skills, but do not have the business development knowledge or financial resources to grow their business, or have a presence Downtown. The Grand Paseo can be an incubator for these entrepreneurs, and showcase the culture of Santa Barbara through an Entrepreneurship Pathway that finds entrepreneurs and matches them with opportunities that align with their state of development.

The pathway could provide business development steps, resources and spaces that are not offered by the commercial development market, such as:

- » Low-risk micro-retail spaces, such as free vendor space at existing market events
- » Incubator mobile or kiosk vending locations along the Grand Paseo. Incubator locations could be free for a limited time period, upon which businesses would 'graduate' to a low-cost kiosk, and eventually a market rate location.
- » Sublease within a retail cooperative or collective within a larger permanent storefront location.
- » Incubator storefronts offering leasing incentives enabling more experienced entrepreneurs to test out a downtown storefront location and build visibility.



The SHOP, TechTown Detroit



The SHOP, TechTown Detroit

TECHTOWN DETROIT

Originally founded to support tech-based spinoffs from Wayne State University, TechTown realized that their incubation and acceleration strategies for tech companies could help strengthen neighborhood small businesses and commercial corridors as well. Today, TechTown offers a full suite of entrepreneurial services for tech startups and neighborhood small businesses throughout Wayne County. The program helps small retail businesses develop, launch and grow through the following programs:

RETAIL BOOT CAMP (RBC)

An intensive, 12-week course with post-graduate coaching for entrepreneurs preparing to open a brick-and-mortar business in Detroit, Hamtramck and Highland Park. RBC helps strengthen local businesses looking to grow to a permanent location.

THE SHOP

A range of incubator retail spaces enable local entrepreneurs to build skills and connect to new customers. Vendors receive support from TechTown strategists in technology, inventory management, merchandising, sales and operations. The retail spaces are located in the historic Fisher theater building, where they take advantage of the exposure created by the theater as well as office spaces above.

313 STRONG

Customized, one-on-one coaching for small businesses in Detroit. TechTown strategists work with business owners for up to six months to build skills in finance, marketing and management and reach growth goals to increase revenue, create jobs and access capital.



Expand Organizational Partnerships.

Expand partnerships with the Downtown Santa Barbara Organization, Greater Santa Barbara Hispanic Chamber of Commerce, Santa Barbara South Coast Chamber of Commerce, Visit Santa Barbara, and other relevant organizations to expand business services, support, and resources.

Leverage Big Data

Leverage big data to monitor overall and sector-specific economic vitality Downtown, including the locations of highest and lowest activity levels, the economic benefit of large-scale community events, and the demographics and spending patterns of people who spend time Downtown.

Expand Marketing

Allocate additional resources to market State Street as a fantastic place to grow a business, invest in property, and hold a special event. Conduct direct and expansive outreach to curated businesses.

Activate Vacant Storefronts

Activate empty and underutilized storefronts along State with regulatory and financial incentive programs and the establishment of maintenance standards that all businesses in the project area are required to adhere to. For vacant storefronts that have maintained their vacancy for over 5 years, consider imposing a vacancy tax.

CULTIVATE A BUSINESS-FRIENDLY CITY GOVERNMENT

Administrative processes can create barriers for new and existing businesses, especially small locally-owned businesses. Permitting requirements and costs are a barrier on their own for many businesses. Additional extended or unpredictable review processes, or onerous administrative or technical requirements increase the time required to open a business, increasing costs and the risk of investment. While larger, corporate tenants are able to absorb these costs, they are a significant deterrent for smaller, less capitalized businesses.

Streamline the permitting process, encourage a flexible and creatively focused government culture, and enhance customer-service around business development and

retention. Review objective and discretionary permitting processes to identify opportunities to reduce process and permitting timelines for new or expanding businesses in Santa Barbara.

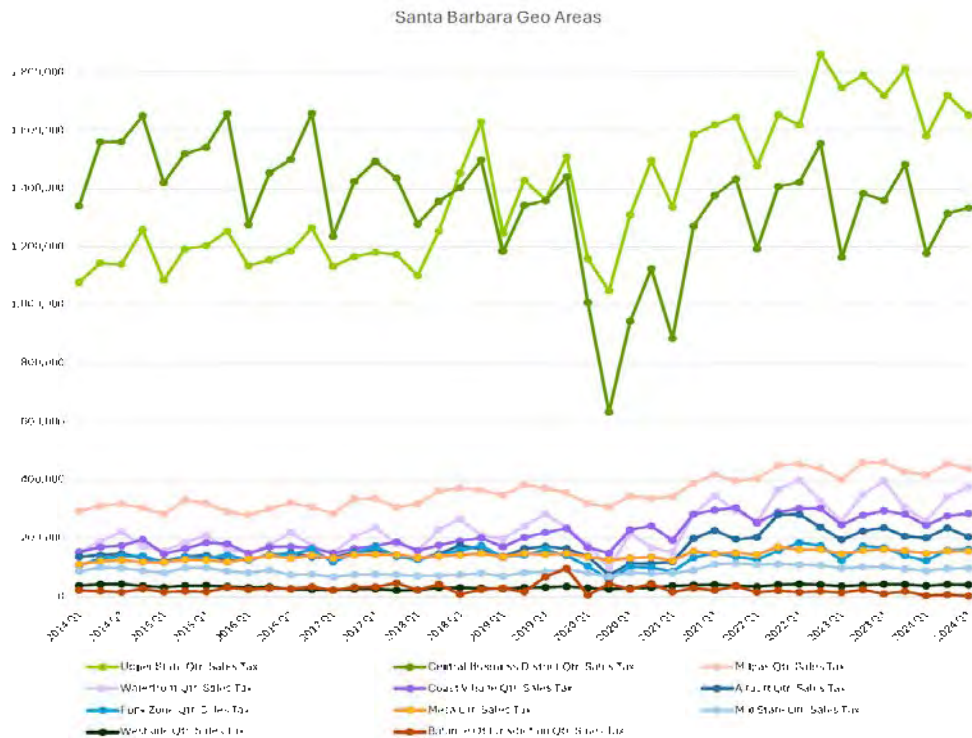


APPENDIX B.h

Economic Indicators/Sales Tax Trends

Sales tax data is available for the State Street Master Planning area from the second quarter of 2019 through the 4th quarter of 2024. Sales tax has fluctuated since Covid, and overall the city as well as the Central Business District downtown, including the State Street Master Planning area, have seen a slight decline. However, the “Santa Barbara Geo Areas” graph below shows trends that existed between 2014 – 2019 before a steep drop in 2020 due to Covid. The Central Business District saw a 12.5% decrease in sales tax between 2014 – 2019. 2024 sales tax data indicates that sales tax has returned to above 2019 levels but is growing at a slower rate than anticipated and has not exceeded \$1,600,000 in sales tax which occurred in 2014-2016. The Central Business District is growing at a slower rate than other districts throughout the City, and Figure 1 highlights the fluctuation and trends since 2020 Covid throughout the City’s commercial centers.

Figure 1: Sales Tax Fluctuation by Geographic Area



Several factors may be influencing the slower sales tax growth within the State Street Master Plan area. These include existing storefront vacancies, the absence of a major anchor business downtown, and the current mix of businesses along the corridor. In particular, the 600–1000 blocks of State Street lack a clearly defined or cohesive retail identity from block to block, which can affect overall commercial activity. While some stakeholders attribute economic challenges directly to the street closure, the available data does not support a definitive conclusion either way.

Since the pandemic, the number of available storefronts has remained relatively consistent, fluctuating between 33-40. As of Quarter 4 of 2025 for State Street between Haley and Victoria Streets (500-1200 blocks), of the 249 ground floor spaces within the closure, there are approximately 23 vacant storefronts, 31 storefronts available for lease, and 7 storefronts that are

available but occupied with temporary tenants/pop-ups. The perceived vacancy rate is 9.24%. When accounting for the 400 block and 1300 blocks of State Street as well, vacant storefronts increase to 31 and the perceived vacancy rate is 12.45%. As of Q4 2025, the 400 block of State Street had the largest vacancies with 8 vacancies on the block, which is double the vacancies as compared to other blocks.

Sales tax has shifted from since 2019, with sales tax between the 500 – 1200 blocks on State Street in Quarter 1 at approximately \$442,871 and in Quarter 4 at \$561,603. Since COVID, the strongest sales tax year was in 2022, with Quarter 4 seeing \$602,740 in sales tax for the same area. Sales tax has since normalized and is increasing at a slower rate than the increase seen in 2022, with State Street in 2025 in Quarter 1 at approximately \$499,312 and in Quarter 4 at \$538,706. Sales tax by quarter is shown in Figure 2.

Figure 2: Bradley Burns Sales Tax Earned from 500-1200 Blocks of State Street

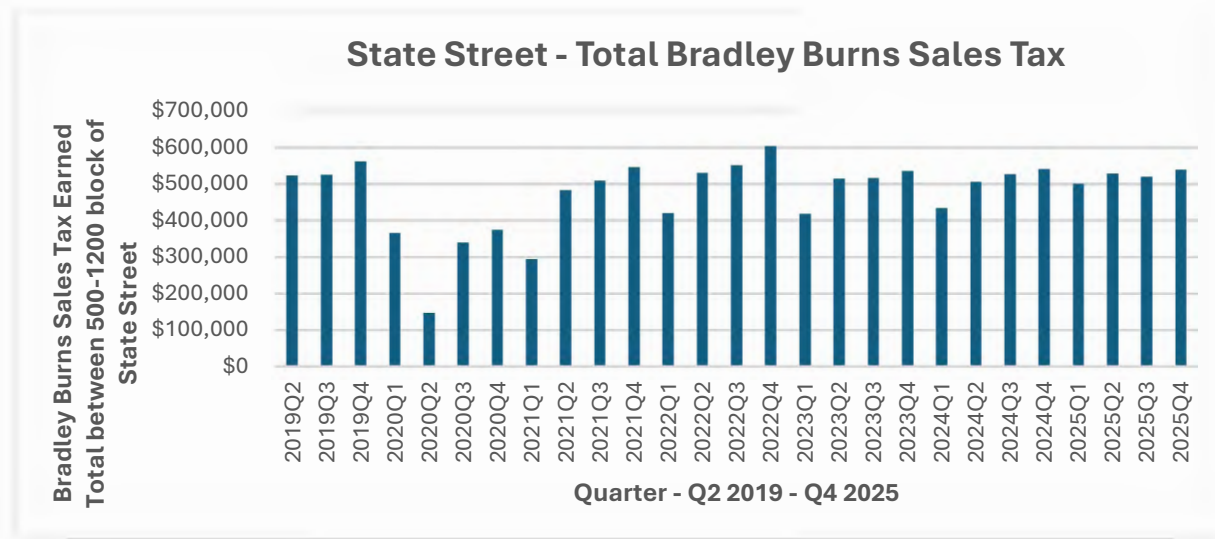
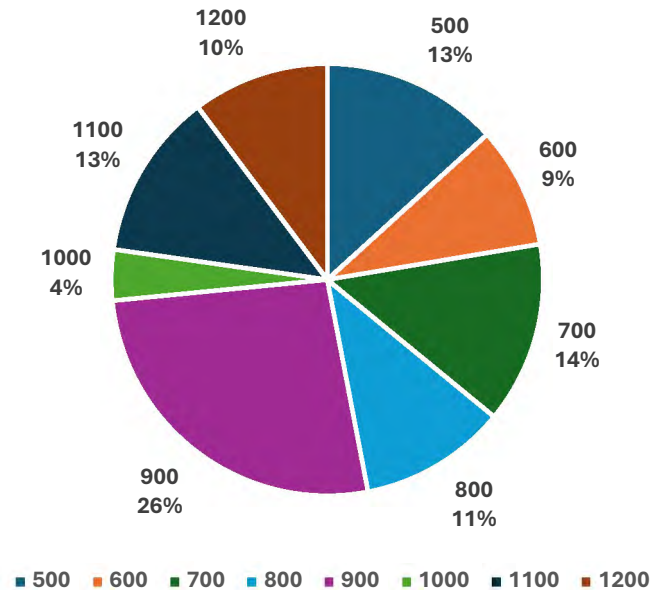


Figure 3: Bradley Burns Sales Tax Earned from 500-1200 Blocks of State Street as Percent

State Street - Bradley Burns Sales Tax by Block 2025 Q4



While economic data shows a slower growth pattern than other districts in the City, the focus has instead been on the community benefit to having a closure and the creation of civic space that differentiates Santa Barbara from other mid-size coastal communities. Additionally, anecdotal information collected at business owner meetings and through public engagement efforts showed overwhelming support by business owners and community members for the closure, citing general interest and enthusiasm in maintaining the pedestrian-oriented space. This is despite the Downtown Santa Barbara Improvement Association, including downtown property owners, requesting that the street be modified to always allow vehicle traffic, citing reduced rents and challenges with leasing due to the street's uncertainty.

Figure 4 indicates the performance of State Street blocks in Q2-Q4 2019 as well as Q2-Q4 2024 with the 500 and 700 blocks seeing the greatest amount of growth.

Figure 4: Quarterly Sales Tax by Block of State Street

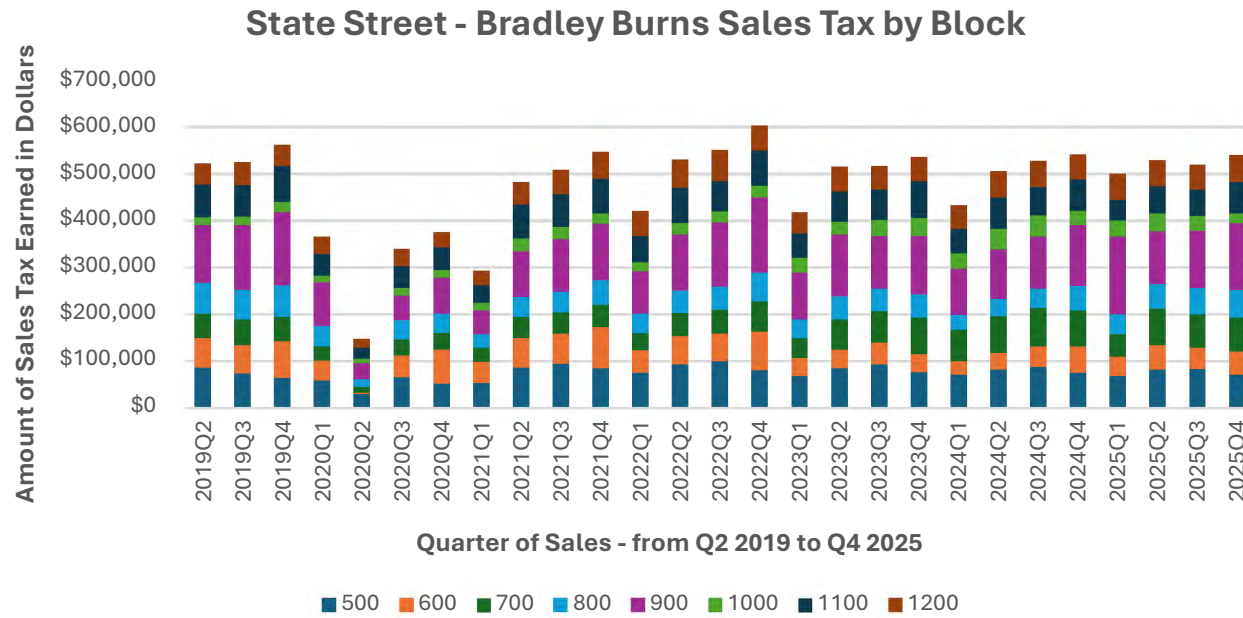
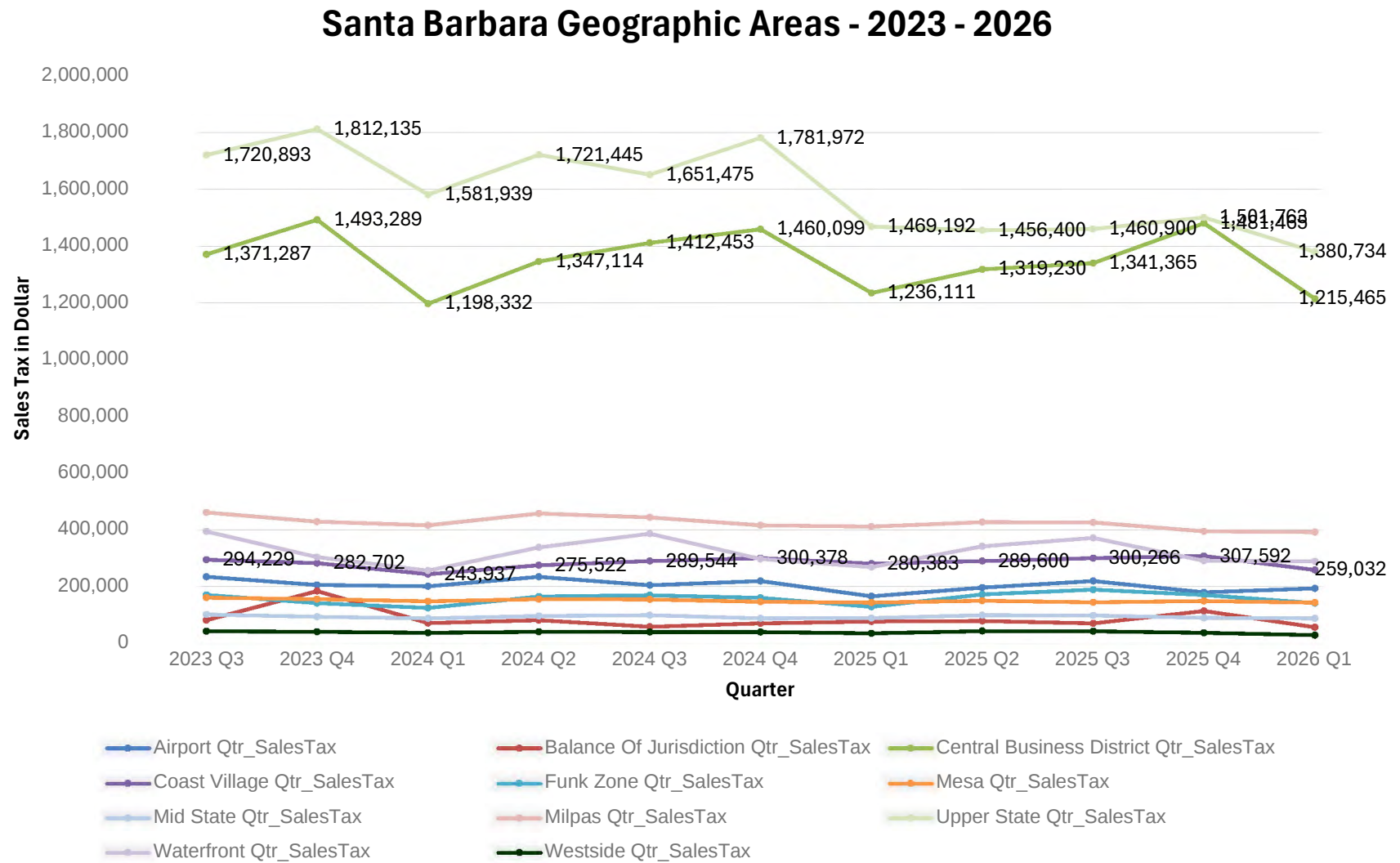


Figure 5: Sales Tax Fluctuation by Geographic Area



Sales Tax by Geographic Area, 2023 Q3 – 2026 Q1

The chart shows quarterly Bradley-Burns local sales tax receipts for eleven Santa Barbara geographic areas across eleven quarters. The Central Business District is the second-largest generator in the city, behind Upper State. It averaged about \$1.35 million per quarter over the period, with a low of \$1.20 million in 2024 Q1 and a high of \$1.49 million in 2023 Q4. Most of the movement within any given year is seasonal. Third and fourth quarters run high, first quarters run low, and the same pattern shows up in every area on the chart. Comparing first quarters to each other gives a cleaner read: the CBD produced \$1.20 million in 2024 Q1, \$1.24 million in 2025 Q1, and \$1.22 million in 2026 Q1, an increase of about 1 percent over two years. On a rolling four-quarter basis, the CBD is down 1 percent between 2023 Q3–2024 Q2 and 2025 Q2–2026 Q1.

Citywide receipts fell over the same window, from roughly \$4.37 million in 2024 Q1 to \$4.19 million in 2026 Q1. Because the CBD held steady while the overall base shrank, its share of citywide receipts rose from about 27 percent in mid-2023 to about 29 percent in 2026 Q1, reaching 31 percent in 2025 Q4. Upper State moved the other way, down 15 percent on a rolling four-quarter basis and close to 13 percent first quarter to first quarter, and it gave up several points of citywide share. The Westside, Balance of Jurisdiction, Airport, and Milpas areas also declined. Only two areas grew: the Funk Zone, up 12 percent, and Coast Village, up 6 percent. The Waterfront was flat. Two limitations apply. The figures are nominal and not adjusted for inflation, so flat receipts represent a decline in real dollars. Quarterly receipts also respond to individual business openings, closures, and reporting timing, which matters most in the smaller areas where one account can shift the line.

Downtown Conditions: Radius Commercial Real Estate Q2 2026 Quarterly Report

The most recent private-sector data on downtown storefront conditions comes from Radius Commercial Real Estate's Q2 2026 quarterly report, released July 28, 2026, with field survey work current as of June 23, 2026. Radius has tracked State Street-facing storefronts on the 400 through 1300 blocks for more than a decade, which gives the City a consistent outside measure to set alongside its own permit, business license, and sales tax data. Their methodology counts pop-up tenants as vacant because those leases run twelve months or less, and they exclude ground-floor offices and banks fronting State Street.

Radius counted 249 total storefronts in both the first and second quarters of 2026. Storefronts listed as available for lease went from 30 to 31, moving the availability rate from 12.05% to 12.45%. The number of storefronts actually sitting empty dropped from 23 to 22, which lowered what Radius calls the perceived vacancy rate, the vacancy a pedestrian sees walking the corridor, from 9.24% to 8.84%. Pop-ups held steady at four. In short, the top-line count moved by a single storefront. Citywide retail vacancy, measured separately, was 3.0%, down from 3.4% a year earlier.

The more consequential downtown activity in the quarter happened through the entitlement process rather than the leasing market. Council's June approvals gave direction to the two long-vacant Paseo Nuevo anchors: Yardi's conversion of the former Macy's building at 701 State Street into its corporate headquarters, and approval for the former Nordstrom building to convert its second and third floors to residential while retaining retail on the ground floor and lower level. Removing more than 110,000 square feet of Nordstrom office space from the market dropped citywide office vacancy from 9.2% to 6.9% in one quarter. Radius is clear that several of these properties will remain visibly vacant until construction is complete, and identifies UCSB's Innovation Center at 410 State Street, the Music Academy at 901 State Street, and smaller projects at 530 and 1315 State Street as the balance of the long-term pipeline.

Street-level activity continued alongside the larger projects. New leases and openings during the quarter included Bombay Station at 734 State Street, Free People at Paseo Nuevo, (IN)Larkin at 1235 State Street, the SBIFF Film Center at 916 State Street, A Royal Suite at 1109 State Street, Gallery Santa Barbara at 1220 State Street, and the reopening of Sandbar following renovation.

Radius flags the 400 block as the corridor's persistent weak point, with six available storefronts following the listing of 435 State Street, many of them former restaurants and bars. They also note this stretch is the first impression of downtown for a large share of visitors, and identify the UCSB Innovation Center, continued progress at 330 State Street, Manifattura's restaurant at 413 State Street, and the stabilization of the office building at 419 State Street as near-term signs of improvement. That assessment is consistent with the City's own focus on the southern gateway.

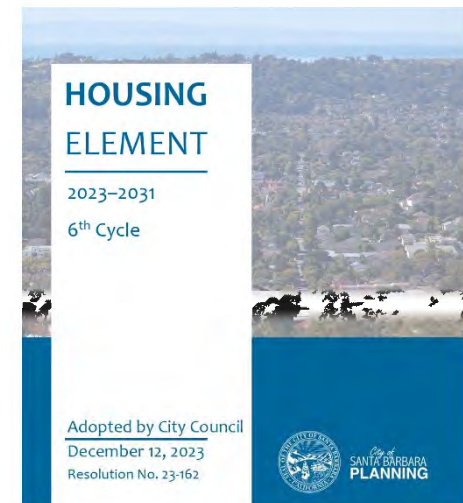
APPENDIX B.i

Related Plans and Policies

The City has many adopted plans, policies, and programs that directly relate to State Street and that must be considered when reimagining the design possibilities downtown.

General Plan

The city's General Plan provides the blueprint for growth and development in Santa Barbara. The 1964 General Plan suggested that a portion of State Street be converted to a "pedestrian-oriented shopping street" that "allows the pedestrian to wander at will." The current General Plan prioritizes multi-unit housing development and encourages higher-density projects Downtown. It also envisions a safe and integrated multi-modal transportation system with enhanced pedestrian and bicycle facilities.



Climate Action Plan

The city's Climate Action Plan is a roadmap to achieve City Council's aspirational carbon neutrality goal and helps frame the sustainability and resilience objectives. It aims to eliminate emissions from the building sector, promotes zero emission transportation options, leverages natural systems to remove carbon from the atmosphere, and seeks to reduce material and water use.

Pedestrian Master Plan

The city's Pedestrian Master Plan provides guidance on how to enhance the City's pedestrian system, expand walkability and safety, and increase connections. It envisions enhancing the paseo network, maximizing opportunities for children to walk and bike to school safely, safeguarding our community's health by promoting walking, and expanding pedestrian facilities as more people live, work, and visit downtown.

Bicycle Master Plan

Additional transportation direction is provided in the city's Bicycle Master Plan, which includes a framework to improve bicycle safety and infrastructure citywide. It designates State Street as the "spine" of the bicycle network and the primary connection between downtown and the waterfront for bicyclists.



City of Santa Barbara
Pedestrian Master Plan



July 2006

El Pueblo Viejo Design Guidelines

Relevant design guidance is included in El Pueblo Viejo Design Guidelines, which includes a toolkit of appropriate design elements for El Pueblo Viejo Historic District and will serve as the standard of review when the resultant projects from the State Street Master Plan are reviewed by the Historic Landmarks Commission.

Vision Zero Strategy

The city's Vision Zero strategy provides a mobility design lens through its aim to eliminate all fatalities and severe injuries in Santa Barbara by 2030 while enhancing safe, healthy, and equitable mobility for all.

Creating the State Street Promenade and limiting private vehicle use advances this strategy by significantly improving bicycle safety along a portion of State Street that previously had a concentration of vehicle versus pedestrian and bicycle collisions.

