

Webster District Strategic Plan

March 29, 2005

prepared for:

City of Alameda Development Services Department



STRATEGICECONOMICS

I.	INTRODUCTION	1
	Webster District Overview	1
	Strategic Plan Background	1
	<i>Alameda Citywide Retail Policy</i>	1
	Strategic Plan Development Process	2
	<i>Strategic Plan Task Force</i>	2
	<i>Strategic Plan Community Engagement Forums</i>	2
II.	WEBSTER DISTRICT RETAIL MARKET OPPORTUNITIES	4
	<i>Figure 1: Retail Evaluation Framework</i>	4
	Demand	5
	1. <i>Local Household Demand</i>	5
	2. <i>Non-Residential Sources of Demand</i>	6
	Place.....	7
	<i>Webster District’s Physical Assets</i>	7
	<i>Webster District’s Physical Liabilities</i>	8
	<i>Webster District Opportunity Sites</i>	10
	Community Capacity.....	13
	<i>West Alameda Business Association</i>	13
	<i>City of Alameda</i>	13
	<i>Residents, Business Owners and Property Owners</i>	14
	<i>Measure A</i>	14
	<i>Community Capacity Opportunities and Constraints</i>	14
	Supply.....	14
	<i>Current Webster Businesses</i>	14
	<i>Current and Proposed Competing Retail Nodes</i>	15
	<i>Local Lessons for the Webster District</i>	16
	<i>Retail Types and Retailers with Potential for the Webster District</i>	16
	<i>Webster District’s Market Niche</i>	17
	Priority Areas of Need for Revitalization Strategies	18
	<i>Demand</i>	18
	<i>Place</i>	18
	<i>Community Capacity</i>	18
	<i>Supply</i>	18
III.	REVITALIZATION GOALS AND STRATEGIES	19
	Implementation Actions	20
	Demand	20
	Place.....	21
	Community Capacity & Supply.....	23
	APPENDIX.....	26

I. INTRODUCTION

WEBSTER DISTRICT OVERVIEW

The Webster District has a unique past. From its inception as a seaside resort area serving weekend tourists in the late 19th century, through its colorful navy-town days, the District has a tradition of catering to a more transient audience than the typical neighborhood retail district. Unlike Park Street and the neighborhood retail ‘stations,’ the Webster District has been defined more by an outside clientele rather than the established neighborhoods of West Alameda. The closure of the Naval Air Station in 1997 and the rapid and continued influx of new households and greater spending power into West Alameda has provided the District with an opportunity to re-position itself toward a local market, and to better meet the needs of area households. Exciting changes have been occurring in the district: new businesses continue to open and investment is changing the face of the street with the first phase of the Webster Renaissance Streetscape Project. The City and the community recognize that more can be done to accelerate the District’s retail revitalization. This Strategic Plan describes the necessary steps towards achieving a more vital local retail district.

The Strategic Plan was initiated with an eye towards identifying potential redevelopment projects that could catalyze rapid economic improvement to the Webster District, such as a new grocery store or multi-tenant retail project. However, physical conditions in the area, and the success of Park Street, point to a more incremental approach for the District. The revitalization momentum that has been building over the last several years will continue, through investment in existing properties combined with programmatic actions that effect incremental, organic change. The pace of such change will be governed largely by the pace of property owner investment and reinvestment, but the District’s inherent character and changes in neighborhood demographics indicate that such an approach can be successful. As the vitality of Alameda’s Park Street amply demonstrates, investment in existing properties can reap huge benefits for area businesses and the community they serve. Furthermore, the Webster Renaissance Streetscape that is currently underway will itself catalyze change, by signaling new investment that demonstrates a sustained commitment to the district on the part of the City, and by creating a public realm that invites consumers to linger in the area.

STRATEGIC PLAN BACKGROUND

Alameda Citywide Retail Policy

The Alameda Citywide Retail Policy was developed through a series of four citywide retail forums held between April 2003 and January 2004. The retail forums elicited community input regarding Alameda residents’ priorities for retailing in the City. The Webster District Strategic Plan is a direct outgrowth of final recommendations of the Alameda Citywide Retail Policy. The Alameda Citywide Retail Policy identifies Park Street and Webster Street as the two “main street” business districts whose roles are to primarily serve the daily needs of the East and West neighborhoods, respectively. While the Webster District has undergone some notable improvements over the last several years, the District still falls short of meeting both its sales potential and the needs of the local population in West Alameda. The Citywide Retail Policy recommends specific actions to improve Webster District business performance.

Implementing Action 4 of the Citywide Retail Policy states: *“Work with property owners and the West Alameda Business Association to develop a strategic approach to capitalize on*

opportunities for Webster Street,” and “It will be important to create a Strategic Plan for Webster Street, which may include a catalyst retail project. Analysis of possible retail opportunities may include matching retail goods and services to meet the underserved retailing needs of the residential population and demographic mix of the area.”

Revitalization strategies were developed according to the goals and policies for the Webster District as set forth in the Alameda Citywide Retail Policy. These goals and policies are targeted towards reinforcing and enhancing the district’s pedestrian orientation and role as the “main street commercial area west of Grand Street,” and maintaining the small city scale. More specific goals and policies for the Webster District from the Citywide Retail Policy are:

- ◆ Work with property owners and the West Alameda Business Association to develop a strategic approach to capitalize on opportunities for Webster Street.
- ◆ Strengthen the City’s recruitment efforts targeting high-priority retail tenants.
- ◆ Expand parking over the long term. Encourage off-site and multi-level parking. To maintain pedestrian character and visual interest, avoid locating parking structures at street level on corners and along retail streets.
- ◆ Develop a catalyst project; a full-service grocery store or other major new development that could jumpstart the District’s economic revitalization.
- ◆ Encourage mixed use development. Regulate development to encourage two-and three-story buildings extending to the front of the property lines, with entrances directly facing the sidewalk, and parking at the rear.
- ◆ Emphasize retailing that is traditionally found in mature neighborhood business districts, such as full-service grocery stores, drug stores, specialty stores, restaurants and entertainment and daily convenience shopping, including dry cleaners, banking, etc.
- ◆ Consider beach-related orientation possibilities.

STRATEGIC PLAN DEVELOPMENT PROCESS

Strategic Plan Task Force

The development of the Webster District Strategic Plan was guided by the Strategic Plan Task Force. In order to insure that the plan remain consistent with City goals and the interests of local businesses, Strategic Economics and the Webster Strategic Plan Task Force met eight times throughout the planning process, providing input to the Existing Conditions Report, the three community forum presentations, and the final Strategic Plan. Task Force members represented both City government and private Webster businesses. The Task Force member were: Ed Clark, WABA President and business owner; Tricia Collins-Levy, WABA Board member and business owner; Doug DeHaan, Chair of the Economic Development Commission (EDC); Pattianne Parker, EDC member; Michael Schmitz, EDC member; Sherri Steig, WABA Executive Director; Gail Wetzork, EDC member.

Strategic Plan Community Engagement Forums

A total of three community engagement forums were held for the Webster District Strategic Plan. The forums were held to both solicit community input and to present major findings to the community.

Community Engagement Forum #1

The first community engagement forum was attended by 24 participants. Each participant completed a written comment card concerning ideas and goals for the district. The meeting began with a Powerpoint presentation on Existing Conditions in the District by Strategic Economics,

followed by four individual small group discussions concerning the questions listed on the comment cards. Participants weighed in on a variety of issues relating to the District's commercial vitality.

Major themes that emerged from the first meeting are summarized below:

- ◆ Improve safety and the feeling of safety in the District.
- ◆ Offer a complete mix of goods and services for residents and College of Alameda students
- ◆ Create a place where people want to stay and shop
- ◆ Include more upscale shopping options
- ◆ Encourage daytime and evening activity
- ◆ Establish a better connection with Crab Cove

Participants also gave specific recommendations regarding the types of businesses that they would like to see in the district. The complete list of comments from small group discussions and comment cards are shown in the Appendix.

Community Engagement Forum #2

Following the first community meeting Strategic Economics performed market evaluations to test many of the individual retail recommendations made in the first community meeting. A summary of the retail market evaluation was presented at the second Webster District Strategic Plan Community Engagement Forum, followed by a questions and comments period. The Powerpoint presentation from the second community engagement forum is shown in the Appendix. The market evaluation is in Chapter II of this report.

Community Engagement Forum #3

Strategic Economics made a Powerpoint presentation of the results from the Physical Opportunities Analysis performed by EDAW and the final recommended strategies from the Webster District Strategic Plan. Following the presentation, participants asked questions and made comments. The Powerpoint presentation and a list of comments are in the Appendix.

II. WEBSTER DISTRICT RETAIL MARKET OPPORTUNITIES

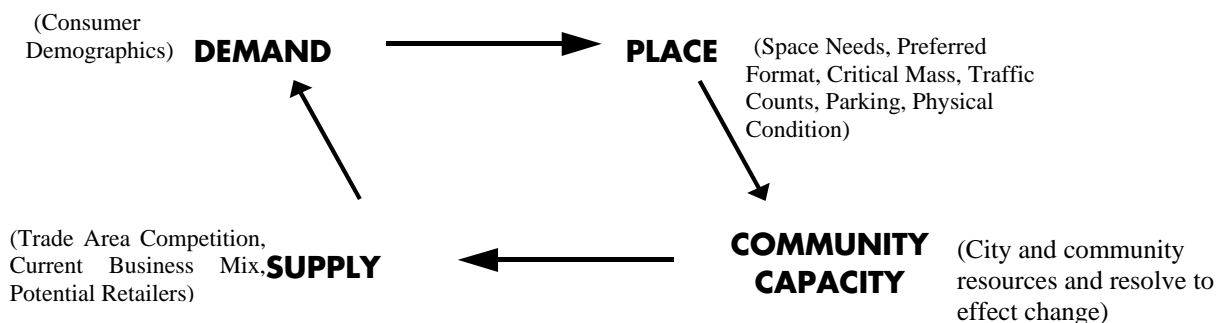
Strategic Economics conducted a market evaluation of various retail types proposed by participants in Community Engagement Forum #1 and according to the goals established in the Citywide Retail Policy indicating that Webster should be a neighborhood-serving retail district. The evaluation focused primarily on retail types that are currently missing in the area or whose presence could potentially benefit the district as a whole by attracting a steady flow of consumers. This chapter details the retail market evaluation that was summarized in the second community forum.

Retail types that were suggested in the first community engagement forum:

- ◆ Small-scale independent businesses
- ◆ Activities for youth/ children/ families
- ◆ Upscale grocery store
- ◆ Greater Variety of Restaurants and Outdoor Dining
- ◆ Gifts
- ◆ Apparel
- ◆ Bike Shop/ Repairs
- ◆ Bakery/ Café
- ◆ Home Furnishings and Housewares
- ◆ Large Format Stores: Bookstore, Electronics, Home Improvement

Strategic Economics uses an approach to retail market analysis and retail tenancing strategy that applies specifically to existing retail districts in need of revitalization, such as the Webster District. The method involves an iterative process of research, analysis and evaluation of four elements: market demand, supply, place, and community capacity. Together, these four elements determine how much and what type of retail is appropriate for an area or an individual project. Traditional retail market analysis has considered only demand and supply. However, this approach often ignores key physical characteristics of place, such as parcel size, street width, and building character; elements that heavily influence an area’s ability to attract and sustain retail. This approach also ignores a community’s available resources to effect change, such as political will at the city level, or the role of a local business association in retail vitality (Community Capacity). This basic evaluative framework is illustrated below and applied to the Webster District in the following discussion.

Figure 1: Retail Evaluation Framework



Source: Strategic Economics, 2004

The following section summarizes the four major elements of the Webster District's retail market potential: Demand, Supply, Place, and Community Capacity. Each of these elements of the District's overall retail health is profiled to identify strengths and weaknesses, and potential revitalization strategies.

DEMAND

The Existing Conditions Report provides a thorough review of demographic characteristics and trends for West Alameda and Webster District households. As described in the Existing Conditions Report, the Webster District has a very strong local residential support base for retail. Additional non-residential support for retail in the District stems from several sources: students at the College of Alameda; employees at the Marina Village Business Park; and visitors to Crown Memorial State Beach and Crab Cove.

This section profiles the major characteristics of residential and non-residential sources of demand.

1. Local Household Demand

Population and Household Growth

Rapid population growth and housing unit production have been occurring in the Webster Area since 1990: 582 units were added to the housing supply between 1990 and 2000 for an overall 9.1 percent increase. The current estimated population of the Webster area is nearly 17,000, and that of West Alameda is roughly 29,000. West Alameda's housing stock increased by 5.2 percent. Household growth will accelerate over the next ten years, with 2,500 new units under development and planned for the former NAS.

Income

Real household incomes also increased by more than 15 percent. From 1990 to 2000 the Webster Area average household income increased from \$53,400 to \$61,000, or by 15 percent. By comparison, West Alameda average household income increased from \$58,000 to \$65,000, by 11 percent. Area average household incomes will continue to increase with the construction of new high end housing on the former NAS.

Educational Attainment

Education levels have been rising substantially, with a growing share of people with a higher education. In 2000, 37 percent of Webster Area households and 38 percent of West End households had a Bachelor's degree or higher.

Age

Segments of the population that have recently increased are young children and baby boomers.

Tenure

The Webster Area and West Alameda continue to have a relatively high proportion (66 percent) of renters.

Race and Ethnicity

The area has also been becoming more diverse with increases in the Asian and African American/Black populations from 1990 to 2000.

Major Lifestyle Segments

Claritas Inc. segments major demographic characteristics such as age, income, and education levels into lifestyle cohorts that typically share many common spending habits. According to the system (called Prizm), developed by Claritas, the most significant lifestyle segments that are present in the Webster area are: concentrations of executives and professionals in business, finance, entertainment and education, and a mix of lower and middle income, ethnically diverse, white and blue collar workers. The mix of affluent and educated and more modest, working class households reflects the area's transitioning character subsequent to the closure of NAS in the 1990s and the nearly simultaneous upsurge in the housing market that led affluent, educated households to choose the area. The retail mix in the Webster District has not changed, however to reflect the demographic changes that have been occurring and that will continue to change the character of demand.

2. Non-Residential Sources of Demand

Students: The College of Alameda has 6,000 students; roughly 4,000 are day students and 2,000 are night students.

Employees: The Marina Village Business Park currently houses 1,500 to 1,800 employees, based on estimates from the business park management. Based on the size of the Business Park, this figure could be roughly doubled to upwards of 3,000 employees with re-absorption of office space during a future economic upturn. Alameda Point currently has approximately 1,000 employees. This figure will increase over the next couple decades as the Reuse Plan for the former naval base is implemented.

Visitors: During 2003 there were 664,000 visitors to Crown Memorial State Beach. Over 12,000 people visited the Crab Cove Visitor Center.

Demand Summary

With nearly 30,000 residents west of Grand Street, retail in the Webster District has a substantial residential population base to serve. Increasing incomes and education levels in the area since 1990 have commensurately increased the sales potential of the District.

Currently 485 new homes are under construction at the Bayport community less than a mile away from the District's gateway at Appezato Parkway. These primarily large family homes represent another approximately 1,600 residents whose household incomes will on average be substantially higher than the current West Alameda average of \$65,000. Tapping into the spending power of these new households as well as that of residents the approximately 2,000 additional new homes slated for construction on the former NAS over the next nine years could support appropriately positioned businesses in the District.

Other consumer demand segments, such as College of Alameda students, employees of Marina Village Business Park and Alameda Point businesses, as well as visitors to Crown memorial State Beach and Crab Cove, all represent populations whose spending the Webster District could better capture.

Demand Opportunities and Constraints

The preceding analysis identifies substantial demand for retail in the Webster District. Currently much of this demand is latent, or un-captured by Webster retail. Strategies to capture latent demand will be both in the areas of better physical linkages to consumers and better communication with consumers through marketing and promotion.

PLACE

'Place' is a term that encompasses the many physical elements of an area; its appearance, public spaces, traffic circulation, functionality and actual buildings. These physical characteristics of a place often make or break its commercial vitality. In the case of the Webster District there are both positive and negative aspects of the physical environment that impact its ability to attract retail and shoppers. The physical characteristics of the Webster District are detailed in the Existing Conditions Report, were described by many participants in the first two community engagement meetings, and are addressed in EDAW's *Physical Opportunities Analysis*.

The Role of Crab Cove

Participants in the community engagement process and Task Force members also expressed a desire to leverage Crab Cove's proximity to improve the retail identity of the Webster District. Strategic Economics and EDAW examined the opportunities to better link the District and Crab Cove for the benefit of the District. Their analysis determined that, as a matter of priority, near-term improvements to the District should occur to the buildings and properties on Webster Street, and at its principal gateway at Appezzato Parkway and Webster, in order to better link the District to its customer base. Since Crab Cove is located beyond the District's terminus, and Central Avenue plays a secondary role in connecting the District to potential customers, Crab Cove-related efforts are not the best use of revitalization resources at present. Once the business climate has improved in the District, Crab Cove visitors will be more likely to visit the District during the course of the same outing. Improving the vitality and quality of local businesses through direct District physical improvements will be the immediate priority.

To summarize, the Webster District's most important physical assets and liabilities are:

Assets:

- Historic Buildings and Character
- Central Location in the Bay Area
- Small City Feeling
- Proximity to Crown State Beach/Crab Cove
- Recent Investment
- Webster Renaissance Streetscape Project

Liabilities:

- Unattractive Gateway at Appezzato Parkway & Webster
- Incohesive building form in Northern Subarea
- Poorly Maintained Properties & Storefronts
- Unclean
- Limited Sites for Catalyst Projects

Webster District's Physical Assets

The Webster District has the "bones" of a great retail district: it is a quaint community situated in a highly desirable location for employees working in the East Bay or San Francisco; its unique historic character sets it apart from other areas; the adjacent Crown State Memorial Beach affords ample bayside recreation opportunities; and commercial reinvestment in the area is obvious through numerous recent examples of new development, property upgrades, and new businesses. Work on the first phase of the \$1.4 million Webster Renaissance Streetscape Project extending from Lincoln to Central began in mid-October 2004. The planting of new trees, sidewalk widening, new fixtures and curb bulbouts will greatly improve the overall aesthetic of the District.

Webster District's Physical Liabilities

Unattractive Gateway at & Webster

Webster's important assets are somewhat undermined by negative characteristics that give the area a fragmented and unfavorable appearance: Ralph Appezato Memorial Parkway and Webster Street is the northern entrance to the District, yet the uses that make up this critical intersection do not signal the entrance of a unique pedestrian-friendly shopping district. The intersection includes a parking lot, a vacant parcel with a dilapidated structure, the College of Alameda lawn, and the landscaped border of the Mariner Square shopping center. While some of these uses are well-maintained, none help to foster a pedestrian-friendly atmosphere, nor do they indicate the presence of the historic section that lies further down the street south of Lincoln Avenue. The /Webster intersection is a critical missed opportunity to make a positive visual statement about the Webster Business District. Incorporating physical design solutions at this intersection could potentially be included in a second phase of Webster Street Renaissance Project, if the second phase obtains funding.

Incohesive Building Form in Northern Subarea

As described in detail in EDAW's Physical Opportunities Analysis, the Northern subarea has an inconsistent building character, in contrast with the traditional main street feeling of the Southern subarea. Development in the Northern Subarea is more auto-oriented, with buildings in differing styles, with varying setbacks, and interspersed with occasional small undeveloped parcels and parking lots. The Renaissance Streetscape project is not yet funded for the Northern Subarea.

Poorly Maintained Properties & Storefronts

Numerous buildings in the area show signs of needing upgrades, repairs, or complete renovation. Many storefronts lack the most basic merchandising principles of cleanliness and attractiveness. These overt physical signs of divestment spill over onto the whole district, marring the efforts of other better-maintained businesses to attract customers.

Unclean

In recent months, motivated community members have been voluntarily keeping Webster Street free of trash. However, participants in community engagement forums repeatedly cite cleanliness as a major issue hampering the success of the District. This basic issue will require a permanent solution in order for the District to meet its potential.

Limited Sites for Catalyst Projects

As described in EDAW's *Physical Constraints Analysis*, the opportunities for new development are limited by a number of factors:

Small or Irregular Shaped Parcels

Small or irregular-shaped parcels can impede development or redevelopment by limiting the range or type of potential tenants, and increasing project costs through more design-intensive solutions. The parcel pattern effectively limits the potential for certain catalyst projects in the Webster District, such as a major grocery store with conventional parking requirements. Site-specific development scenarios were developed by EDAW and Strategic Economics to test the physical viability of other possible catalyst projects.

Economically Viable Uses that are not 'Pedestrian-friendly'

The auto-oriented character of many businesses and buildings in the Northern subarea does not integrate with the traditional main street feel of the Southern subarea/ historic core. While one

major goal for the Webster District is to make it more pedestrian-friendly, this will be much more challenging in the Northern subarea given the current building pattern and uses. While auto-oriented uses like service stations and fast food do not embody the character that many Webster District revitalization advocates and City policies aim to achieve, many of these uses are economically viable and meet a demand in the area. Their economic viability makes them unlikely sites for redevelopment. While it is indisputably a good thing that many of these businesses are performing well, their success may be hampering the ability to bring higher end uses to the District and to assemble property for opportunity sites to accommodate a major catalyst project in the Northern subarea.

Multiple Property Owners

Multiple property ownership of adjacent parcels presents a barrier to assembly of a large site for a catalyst project. For example, assembly of the block on the west side of Webster Street between Buena Vista and Eagle Avenue would require negotiations with six different property owners.

Limitations on Development of a Grocery Store

Although the community expressed a very strong preference to have a grocery store on Webster Street, none of the opportunity sites identified by EDAW can accommodate a major grocery store: the largest opportunity site is the block on Webster Street's west side between Buena Vista and Eagle Street. This site measures 32,000 square feet and would require significant land assembly. A relatively small major grocery store (35,000 square feet) would require a site of 96,250 square feet under current Webster Street parking standards for new development, which also correspond to the requirements of most grocery stores. With structured parking, a 35,000 square foot store would require one and a half floors of parking. Not only are the costs of land assembly, the relocation of healthy existing businesses, and construction of such a store format prohibitively high, the grocery market has not yet evolved enough towards the inclusion of structured parking to agree to such a format in the Webster District. This resistance reflects both consumer preference for surface parking and the high development costs of structured parking (roughly \$25,000 to \$35,000 per parking space). Notwithstanding, developers are willing to build structured parking in dense, underserved urban markets where high sales volumes are assured. West Alameda and the City follow a lower density land use pattern that does not rationalize the high additional costs of structured parking for a grocery store developer. Given current grocery store development practice, the City could only feasibly attract a major grocery store to the District if it could also provide on-site surface parking.

Regulatory Constraints on Mixed Use Development

- ◆ **Limits on Residential Development:** Under Alameda's Measure A, a maximum of two housing units can be built on a single lot. Because land values in the District are quite high (see Existing Conditions Report), and retail rents are quite low, a private developer would need to build residential units over commercial to make such a venture profitable under current and foreseeable market conditions.
- ◆ **Burdensome Parking Requirements:** The current parking requirement for new development in the District is five spaces per 1,000 square feet of construction. As the EDAW report suggests, this parking requirement constrains the development of smaller parcels by reducing the proportion of revenue-generating square footage, or by increasing construction costs substantially with the necessity of building structured parking.

Webster District Potential Opportunity Sites

Through a parcel-by-parcel evaluation of Webster District physical opportunities, EDAW identified four potential opportunity sites. These opportunity sites are reviewed below, following a short discussion of Measure A's impact opportunities for new development in the District.

Measure A Restrictions on Mixed Use Development

Alameda's Measure A limits new market rate residential development to two dwelling units per parcel. The original intent of the ordinance was to "prevent the further destruction of historically significant homes by prohibiting the replacement of them with large multiple unit buildings."¹ The outcome of the legislation, however, has been to prohibit all market rate multifamily development larger than a duplex in the City. As land values have risen sharply since the mid-1990s, the effect of Measure A in the Webster District has been to suppress the redevelopment potential of some vacant and underutilized properties, by prohibiting upper story residential development and thereby curtailing development returns.

Despite Measure A there are several recent examples of new development in the District. Two new projects on Webster Street were constructed over the last several years: the Elders Inn senior assisted living facility; and the Hawthorne Suites hotel. Measure A does not restrict the development of overnight lodging or senior facilities, and so these projects were built at densities which made them viable ventures for their owners. The other new project, currently under construction, is the Otaez restaurant. In this case, the owner had acquired the site many years earlier, so that his development costs were limited to construction of the second location of the family's popular home-style Mexican restaurant.²

Following is a discussion of the four potential opportunity sites for which EDAW tested building prototypes on a case-by-case basis. While EDAW's evaluation focused on what could 'fit' on individual sites, the following evaluation takes the EDAW analysis one step further by reviewing the sites from the perspective of market and financial feasibility. As the discussion below indicates, there is currently only one Opportunity Site with potential under existing market conditions.

Southern Subarea/Historic Core Opportunity Sites

The dense pattern of buildings on small lots in the Historic Core of the Webster District constrains opportunities for new development. The traditional main street ambiance created by the historic buildings, however, represents an important opportunity for revitalization through rehabilitation and upgrades in the core. The single opportunity site for new development in the Southern Subarea is discussed below.

Site #1: 14,745 square foot public parking lot at the northwestern corner of Webster Street and Taylor Avenue

EDAW's planning study for the vacant lot at Taylor and Avenue and Webster Street includes 6,750 to 9,150 square feet of ground floor retail space with three and a half levels of parking (151 parking spaces). The increment of difference of 2,400 square feet between the two ground floor retail scenarios consists of a space located below the parking garage stairwell fronting on Webster Street. This 2,400 square foot space would have ceiling heights of 10 feet instead of the 15-foot heights associated with the rest of the retail shop space.

¹ Alameda Architectural Preservation Society website

² The first Otaez location is in the Fruitvale District of Oakland.

Project Benefits

Generally, the benefits of such a project would occur through:

- 1) the addition of parking in a central location that would address at least a large share of long-term parking demand, and
- 2) the addition of vacant new retail shop space in the Historic Core that could help attract quality retail and/or restaurants. Because occupancy rates in the District exceed 95 percent, adjacent vacancies allowing for compatible retailers to simultaneously co-locate rarely (if ever) occur. The availability of several new, jointly owned retail spaces would create greater tenant attraction opportunities. The project would introduce between three and five new retail spaces into the Historic Core.

Project Drawbacks

- 1) Because the Webster/Taylor site is smaller and more narrow than a typical parking garage footprint, parking spaces are accommodated in a four-level narrow and vertical structure. Even with careful design, the height of such a project could significantly alter the visual character of this section of the District. Further visual studies are needed to determine the precise impact of the project on surrounding character.
- 2) The project would require significant long-term subsidy from the City. Parking garage costs range from \$25,000 to \$30,000 per parking space, putting project costs in the range of \$3.75 to \$4.5 million, excluding land costs. Assuming retail rents between \$2.00 and \$2.50 per square foot, the rent revenue-generating potential of the nominal retail square footage would be in the range of \$162,000 to \$ 275,000 annually.

Site #1 Summary

Adding new retail space into the Historic Core would improve the retail market in the area by expanding tenant attraction opportunities and potentially creating attractive new space. Therefore, it is recommended that the City further explore the feasibility of developing a parking structure with retail space fronting on Webster at the Taylor and Webster site. If the site proves too small or narrow to accommodate a parking garage that would be acceptable to consumers, the City should explore the site's potential for either new retail space, or mixed use with office space over retail, and commission a parking analysis to determine another location for a parking structure. Redevelopment of the site would necessitate finding another location within the District for the Tuesday Farmers Market.

Northern Subarea Opportunity Sites

The building pattern in the Northern Subarea consists of parcels of varying sizes and dimensions, and areas of lower-intensity development that are more easily redevelopable than most properties in the Historic Core. Three potential opportunity sites in the Northern Subarea were identified in EDAW's Physical Opportunities Analysis.

Site #2: Six adjacent parcels fronting the western side of Webster Street between Buena Vista and Eagle Avenues

EDAW's planning study for the block fronting on the western side of Webster street between Buena Vista and Eagle Avenues illustrates four possible scenarios for redevelopment of the roughly 32,000 square foot area. In addition to the six parcels on the block, a portion of the Days Inn parking lot would need to be acquired or leased to provide parking for tenants. Common to all four scenarios is the challenge and costliness of site assembly. Currently none of the six parcels is available for sale. In addition to the high property acquisition costs, multiple property ownership at this location would present the City with a lengthy and complex land acquisition process.

Exact site acquisition costs are undeterminable without an appraisal. However, a general estimate can be derived from area sales transaction information. Commercial property sale records from 4/2000 to 4/2004 show prices in the District ranging from \$67 to \$144 per square foot of land for store buildings; \$68 to \$281 for store & office buildings; and \$20 to \$187 per square of land for other commercial land uses, including a garage, a financial building and a medical building. The 30,000 square foot commercial lot at the corner of Pacific and Webster sold for \$21 per square foot. A very generalized estimate of potential land costs for the block based on area comparables (excluding the parking lot behind Burger King) is in the range of \$2.9 to \$3.5 million.

Apart from the complexities of land acquisition from multiple property owners described earlier, there are a couple significant regulatory barriers to the development of the moderate mixed use scenario: 1) Measure A (described earlier) prohibits new residential development exceeding two units per parcel; and 2) current parking requirements of 5 spaces per 1,000 square feet of new development.

Site #2 Summary

Given the constraints on residential development imposed by Measure A, redevelopment of Site #2 does not have the catalytic revitalization potential, nor the 'upside' potential, to justify the complexities and costs associated with site assembly of the block.

Site #3: Narrow parcel on west side of Webster Street, between Buena Vista Avenue and Appezzato Parkway, immediately north of the Days Inn Motel

The parcel at Appezzato and Webster is 38 feet wide by 212 feet deep. EDAW describes the site as both 'very important,' given its location at the gateway of the District, and 'very constrained' due to its awkward size and configuration. EDAW explores the possibility of approaching this site jointly with site #4, the adjacent utility easement along Appezzato Parkway, whereby the utility easement would be used for parking and circulation to serve an 8,000 square foot multi-tenant retail building facing Appezzato Parkway on Site #3.

Site #3 Summary

Building depths of only 38 feet, and the complete lack of rear access to the retail space would make such a project highly speculative from the standpoint of its potential to attract retail tenants. Furthermore, the lack of adjacent retail space would make the retail isolated from other complementary pedestrian-oriented uses on Webster that afford opportunities for retail critical mass. While there are possibly some quick-service food concepts that might work well in this location directly across from the College of Alameda, the space configuration and location are too idiosyncratic to warrant pursuing such a development concept at this time.

Site #4: Utility easement adjacent to, and running the length of Appezzato Parkway

EDAW reviewed the possibility of using the utility easement along Appezzato Parkway for the creation of a pedestrian amenity along its length from Webster to Main Street.

Site #4 Summary

The introduction of a pedestrian greenway along Appezzato Parkway would benefit the Webster District by linking it both visually and functionally to the new development at Bayport and at Alameda Point, and afford more recreation opportunities to West Alameda residents. The greenway would also contribute to a more positive image at the Webster/ gateway intersection.

Summary Opportunities and Constraints

The historic character of the southern portion of the Webster District is the District's most important physical asset and the key building block upon which to make improvements.

Development of new retail space at the northwest corner of Webster and Taylor has the potential to strengthen the Historic Core's character by filling in a large gap in the streetwall, and providing new tenanting opportunities.

While there is much community support for a grocery store on Webster Street, the lack of an opportunity site for a major grocery store with its required parking in the northern section of the district effectively precludes it as a catalyst project. While the dearth of opportunity sites for a catalytic retail project limits the possibility of immediate and dramatic change to the retail character in the District, the Webster Renaissance Streetscape project now under construction, and other potential public realm improvements such as a greenbelt along Appezzato Parkway and improvements to individual buildings will ensure positive and incremental change in the physical realm, in turn spurring a continued upward trend in the District.

COMMUNITY CAPACITY

Community capacity refers to the public and private coordination that moves a common goal forward to fruition. The Webster District is the beneficiary of much community energy dedicated to its economic renewal:

West Alameda Business Association

Funded by Webster District businesses, WABA continually works to improve the economic vitality of the District. The West Alameda Business Association has assiduously promoted and advocated for improvements to the Webster Business District since the mid-1990s. The organization continues to be effective in the areas of: events sponsorship and coordination, a street-cleaning program, monthly business owner mixers, and a regularly updated website detailing recent events and providing extensive information about the District. WABA also advocates for funding for the Webster District to the City.

City of Alameda

Development Services Department

The Development Services Department has focused attention and resources on the revitalization of the Webster District with a range of programs and funding. The City is funding half of the Webster Renaissance Streetscape project, and was responsible for obtaining the balance of funding through a grant from the Metropolitan Transportation Commission. The City plans to pursue a grant for a second phase of streetscape improvements on Webster Street from Pacific to Appezzato Parkway.

The Development Services Department is also maximizing its capacity to promote retail vitality in the Webster and Park Street Districts and throughout the City through the clear articulation of retail policies (Citywide Retail Policy) and its marketing efforts. The Development Services Department markets Alameda's retail areas and retail space, and works to attract appropriate new retail businesses to the City through its up-to-date website and the recently launched Retail E-Letter, which includes updates on new retailers, developments and space availabilities throughout the City.

Façade Improvement Program

The façade improvement program has assisted approximately forty Webster businesses with façade grants since 1989. More information on the façade improvement program is provided in the Existing Conditions Report in the Appendix.

Small Business Assistance Program (SBAP)

The City offers assistance to local small businesses through its Small Business Assistance Program, which is funded through a Community Development Block Grant. The program offers both loans and technical assistance to businesses with five or fewer employees (including the business owner). A business loan can be up to \$25,000, of which \$3,000 can be in the form of a grant. Currently, roughly half the program's resources go to existing businesses and half to new businesses. On average, half the businesses seeking assistance from the SBAP receive technical assistance and the other half receive financial assistance. This program is a resource to Webster District small businesses.

Residents, Business Owners and Property Owners

Residents, business owners and property owners have shown their commitment to improving the Webster District on a variety of levels: volunteering for WABA; involvement in Citywide Retail Forums and the Webster District Strategic Plan; and advocating for the District to the City.

Measure A

Measure A's restriction on new residential development to no more than two units per parcel constrains the redevelopment potential of the Webster District by preventing new mixed use residential projects, which are the most feasible infill product type under current market conditions, from being built by private developers. Two potential future scenarios could make private development more feasible. First, when the office market improves significantly, mixed use projects with office over retail may be feasible in the District. Second, if retail rents improve significantly with an improved market, single storey retail development could become a feasible product type.

Community Capacity Opportunities and Constraints

Efforts by community members, WABA and the City are collectively pushing the Webster District toward economic success. This energy and commitment will continue to be critical. Strategies in the area of Community Capacity, therefore, address the efficient coordination, and effective assignment of responsibilities among the various organizations, people and programs aimed at improving the District.

SUPPLY

There are three layers of a district's competitive retail environment that are assessed in an analysis of 'supply': the current supply of retailers within the district; the character of other competing retail and retail areas, and finally, the supply of potential retailers that do not yet exist in the area but that could enjoy market support while enhancing the commercial climate of the district overall. This third element- the potential for new businesses or a new strategy for an overall business mix- sometimes merits exploring relevant case studies of other successful areas. Because the Webster District has a somewhat unique history and development context, most case studies are not directly applicable, however, the recent improvements to Park Street provide a useful local example of how to spur changes to the district.

Current Webster Businesses

There are a total of 121 businesses³ in the Webster District. Businesses primarily fall in the categories of Auto Repair and Supplies, Fast Food, Sit-down Restaurants, Services, Banks, Miscellaneous Specialty Retail, and Variety Stores. New retail businesses are primarily

³ MBIA Municipal Data Services, 2003

restaurants/cafes and specialty retail, including Calafia Taqueria (under new ownership), The New Zealander, Tiny's (candy store), Coffee for Thought, Needle in a Haystack (needlepoint supplies and classes), and Urban Forest (art framing and gifts.) The quality and number of new businesses give evidence of the improving market climate in the District. The auto-related character of many buildings, however, presents an obstacle to the goals put forth by the public during the community forums of the Citywide Retail Policy and the Webster District Strategic Plan; that the District be a pedestrian-friendly business district offering a greater complement of local-serving stores and services and more upscale shopping options. The current range of stores and restaurants primarily targets a lower- to middle income demographic and does not serve the needs or wants of the more educated population segment that has moved to the area over the last ten or so years. To the extent that the current supply of stores and services does not meet the needs of a large segment of the local population, there may be opportunities to attract different types of retailers. Potential new retailers were suggested in the first Webster District Strategic Plan Community Engagement Forum and tested by Strategic Economics for market viability.

Current and Proposed Competing Retail Nodes

Other Alameda retail nodes include a variety of formats. These formats are classified according to size, function, and format in the Citywide Retail Policy. There are several grocery-anchored community shopping centers in Alameda, as well as the more regionally oriented South Shore Center. Traditional street-front retail is located in small-scale neighborhood business districts ('stations'), and the two main street business districts: Park Street and the Webster District. Although there are a variety of retail options in the City, there is currently significant 'retail leakage,' or local resident sales dollars being spent outside the City⁴.

Pent-up consumer demand resulting from the general deficit of retail on the island will be a critical factor in spurring momentum of the Webster District's revitalization. This retail deficit should be understood both in terms of needing to add new retail space and to change the quality and character of existing retail. On the other hand, there are several planned and proposed retail projects also in the works that are intended to capture retail sales in town. Bridgeside Shopping Center, near the Fruitvale Bridge on the East end of the island, will be redeveloped with a Nob Hill Grocery Store anchor, restaurants and in-line shops, oriented towards the Estuary. Since this development is located in East Alameda, it will have a relatively low impact on Webster sales potential, although it should be factored into the competitive landscape.

Closer to home, in the western section of the island there are several potential projects whose presence could impact the opportunities for the Webster District: Catellus is interested in re-entitling Enterprise Landing as a mixed use project with residential uses, approximately 200,000 square feet of retail space, and a winery; Del Monte reuse project, 160,000 square feet of retail including an upscale grocery store and other upscale food tenants; and Alameda Point retail, for which the Alameda Point General Plan Amendment designates roughly 130,000 square feet of visitor-serving recreation/commercial space and 100,000 square feet of local-serving commercial space.

If the Enterprise Landing and the Del Monte Reuse project were to be developed in the next two to five years, they could potentially shift sales away from some of the newer, more competitive businesses in the Webster District. Strategies for the Webster District address the relationship between these potential new retail projects and Webster, by carving out a unique market niche for

⁴ Applied Development Economics, *Alameda Retail Analysis*, April 11, 2002

the District, and the use of physical improvements to maintain competitiveness with newer retail areas.

Local Lessons for the Webster District

When describing the potential of the Webster District, Webster advocates have cited the vitality of College Avenue in Oakland, and Fourth Street in Berkeley as models to emulate. However, neither area is an accurate analogue for the Webster District's potential for improvement. Although very different from each other, both areas are retail destinations whose improvement resulted from a combination of factors, such as redevelopable site(s) in key locations, regional centrality and accessibility, and proximity to households with very high incomes and education levels.

The recent resurgence of Park Street was precipitated, in large part, by the renovation and upgrade of two key buildings with 25,000 total square feet of retail and commercial space. Located on the 1300 block of Park Street, the John Knowles properties were upgraded and re-tenanted over time with the assistance of a retail broker with strong relationships with both regional and national tenants. Initial reinvestment in the retail space was largely made possible by the rental income from the 44 housing units above. Over time, retail rents increased to nearly triple the pre-renovation rents. Because the renovation of the buildings (separated by only one storefront) enabled a critical of high quality tenants, other new retail businesses soon followed: the arrival of other new tenants to nearby buildings and greater Park Street continues to improve the visual identity for the street. The Park Street example demonstrates the importance of property owner reinvestment in jumpstarting revitalization district-wide.

Retail Types and Retailers with Potential for the Webster District

Retail types that were suggested by community engagement forum participants are listed below:

Antiques	Sit-Down Restaurants
Apparel	Small Specialty Grocery
Bakery	Theater
Bike Shop	Toys
Book Store	
Cafés	
Department Store (Small)	
Electronics	
Entertainment	
Gifts	

Hardware
Hobbies/ Arts & Crafts
Home Furnishings/Accessories
Office Supplies
Outdoor/ Recreational Gear

Retailers that do not ‘Fit’

Some community members also recommended specific retailers that they would like to see in the Webster District. Individual participants included in their “wish lists” several large-format stores such as Barnes & Noble, Borders, Good Guys, Circuit City, Office Max, Office Depot, REI, and a home furnishings store such as Pier One. While some of these retailers could possibly enjoy healthy sales due to a current island-wide undersupply in particular categories, they would currently be very unlikely to locate in the Webster District due to some of the physical conditions described earlier. Specifically, these retailers have requirements that include a combination of the following: large floor plates (10,000+ square feet), extensive parking needs, specific co-tenancies and/or a critical mass of destination retail, and access and visibility from a major street or freeway. With the district’s basic physical characteristics, such as small or irregular parcel sizes, lack of immediate access from Interstate 880, major large format chain retailers such as those listed previously would be unlikely to come to Webster unless major redevelopment of a city block were to occur that allowed for a critical mass of newer generation retail.

Compatible Business Types

Following is a list of business types that could represent a good fit for the District, by both creating a fuller complement of neighborhood-serving businesses and because they could potentially work within the District’s physical framework. These businesses, listed below, are evaluated through the framework of Place, Demand and Supply

Sit-Down Restaurants

Cafés

Bakery

Other Eating & Drinking

Apparel

Independent Book Store

Office Supplies

Gifts

Small Specialty Grocery

Entertainment

Bike Shop

Antiques

Toys

Hobbies/ Arts & Crafts

Outdoor Goods

Webster District’s Market Niche

The West Alameda Business Association recently undertook a marketing assessment (West Alameda Business District Strategic Communications Plan) to identify the major elements of the District upon which to create a more clearly articulated identity or ‘brand.’ The key characteristics identified by the analysis relate to the District’s rich history and to its current array of international businesses reflecting a truly diverse residential population. Nationally, cultural diversity continues to create new niche market opportunities for independent restaurants and retail. In places like the Bay Area, ‘mainstream’ consumer tastes are less and less definable as consumers become accustomed to a broader range of tastes and merchandise. New businesses such as The New Zealander restaurant, and Calafia Taqueria are recent arrivals whose success demonstrates the breadth of today’s consumer tastes, and the trend to follow in the Webster District.

The recent trend of arts/crafts-related businesses entering the District (Alameda Art Center, Needle in A Haystack, Urban Forest) will likely continue. Other pre-existing businesses that serve a similar market (Thin Man Music Company, Tavistock Books) set the stage for these newer businesses. Given this movement towards a 'cluster' or critical mass of such businesses, arts & crafts are becoming part of the District's overall identity.

The Webster District will succeed by fostering unique businesses reflecting different cultures. The first phase of attraction should be: restaurants, children's activities, specialty grocery, and arts/crafts businesses. The second phase will broaden to include specialty retailers in a variety of categories. These phases are described in the final Implementation section of this report.

PRIORITY AREAS OF NEED FOR REVITALIZATION STRATEGIES

As described in the preceding analysis, barriers to the revitalization of the Webster District concern various elements of Demand, Place, Community Capacity and Supply. Addressing these issues will occur through a combination of both public and private efforts. The rapid evolution of other existing retail areas such as Park Street, and the addition of new retail areas in West Alameda such as potential development at Encinal Terminals, Enterprise Landing and Alameda Point makes the implementation of revitalization strategies critical to its success. The Webster District's major advantage over these other areas is that it is a classic main street environment that is very much in favor in today's market. Enabling the District to live up to its current strong market potential will involve:

Demand

- ◆ Marketing and promoting the District
- ◆ Creating a gateway at Appezzato Parkway and Webster
- ◆ Creating a physical/ pedestrian connection with new housing at Bayport and Alameda Point

Place

- ◆ Upgrading and maintaining properties and storefronts
- ◆ Addressing parking needs over the long term

Community Capacity

- ◆ Improving business retention and attraction
- ◆ Defining clear roles and communication channels between City and WABA

Supply

- ◆ Increasing sales potential of existing businesses
- ◆ Attracting complementary new businesses
- ◆ Creating a catalyst project or 'anchor draw'
- ◆ Positioning the District to complement planned projects in West Alameda

These major themes or areas provide the basic framework for the strategies detailed in the following chapter.

III. REVITALIZATION GOALS AND STRATEGIES

The excellent market climate and historic assets of the Webster District make many of the community's stated goals realizable: the District can continue to attract new quality businesses that cater to different types of households, students and employees in West Alameda; the ambiance of the District can be greatly improved to promote lingering and shopping both day and evening. The location of a major grocery store, on the other hand, is infeasible given the lack of an appropriate development site, despite good demand indicators. Likewise, improvement of the link between Crab Cove and Webster Street is a goal that should be pursued over the long term, but that currently should not be the highest priority for catalyzing revitalization.

The limitations on new development imposed by Measure A reduce the likelihood of a private redevelopment project in the District in the near future. In the current market climate, high land and construction costs necessitate building residential units over retail space to make a project feasible. However, should the office market improve, and/or retail rents in the District rise significantly, mixed use may be feasible again. The two development scenarios for the Northern subarea described by EDAW would both require significant public subsidy and are highly speculative, given current market conditions in the northern Subarea and the sites' physical constraints. Strategic Economics recommends that the City explore further EDAW's redevelopment scenario of the parking lot at Webster and Taylor as a potential partial solution to the District's long term parking needs, and as a means of adding new retail in a location that leverages the more marketable historic ambiance in this area. If, through a parking strategy, a better parking solution is identified, the site at Taylor Avenue represents a good candidate to create an infill retail project, or possibly office over retail in the future when the office market improves.

Even without development of a traditional 'catalyst project,' revitalization of Webster District retail will occur through ongoing rehabilitation of existing buildings and expanding the supply of quality retail space. The success of a concerted business attraction/retention effort will depend upon the quality of the physical environment. Therefore, the highest priority should be to improve the District's physical framework through improvements to the public realm and private property. The actions outlined below will enable the District to move forward quickly in establishing its unique market niche in West Alameda.

IMPLEMENTATION ACTIONS

DEMAND

GOAL 1: Connect the District to Latent Demand from Existing Households and New West Alameda Households

Action 1.1 Market and Promote a Clear Identity for the District

Continuing to market and promote the District will be key to its success. In particular, once the extension of Tinker Avenue is completed, many Alameda Point residents could potentially avoid the and Webster intersection, the gateway to the District, on a daily basis. Marketing the District to Alameda Point households who may not pass by the District en route to or from work will be important to attracting them to the area.

WABA should reach consensus on a marketing plan for the District. WABA has been pursuing the development of a clear identity and marketing niche for the Webster District, first through the ‘West Alameda Business District Strategic Communications Plan’ completed in November of 2003, and more recently through a consumer survey, ‘Webster Street: Voice of the Public’ in September 2004. Based upon this research and the Strategic Plan, WABA has a solid basis on which to establish consensus within the organization on the District’s identity. Marketing efforts should be in line with WABA’s resolutions regarding the District’s identity and market niche. Events that will be most beneficial to area businesses will occur on the street, rather than at Crab Cove.

Action 1.2 Pursue Development of Pedestrian Greenway along Appezzato Parkway

The City should continue to pursue acquisition of the utility easement along Appezzato Parkway for the creation of a pedestrian greenway linking pedestrians from Bayport and Alameda Point to the District. The utility easement along Appezzato Parkway from Webster Street to Main Street is part of the beltline property which could be acquired by the City. Whether the City can pay acquisition costs will depend upon the interpretation of the cost formula contained in the reversionary clause, which is currently under litigation. Despite the fact that the City has not yet acquired the property, the Public Works Department has obtained a \$2 million grant for construction of a greenway along the Appezzato Parkway easement, and is pursuing other grant funding opportunities.

Action 1.3 Improve the Physical Condition of the Webster/Appezzato Parkway Intersection through a Second Phase of the Webster Renaissance Streetscape

The Webster Renaissance Streetscape project is underway, spanning Webster Street from Central to Pacific. Once the improvements have been realized the City plans to pursue funding for streetscape improvements from Pacific Avenue to Appezzato Parkway. Continuing the streetscape improvements to Appezzato Parkway, and addressing the intersection of Appezzato Parkway and Webster will be an important step towards making the northern end of the district an attractive and cohesive entryway to the historic core.

Action 1.4 Work with College to Develop its Land at the Intersection of Webster and

The College of Alameda green space at Appezzato Parkway and Webster sits across the street from the gateway to the Webster District. This extensive underutilized property could potentially be developed to the advantage of both the College and the Webster District, by creating uses that better visually frame the street. Uses could include attractively designed college facilities, or

private commercial or residential uses. Since the College may not be in a financial position to expand its facilities, development may involve selling a portion of the land to a private developer or the City. The City should engage the College in a conversation about the potential for the vacant property.

PLACE

GOAL 2: Improve the Condition and Appearance of Properties and Storefronts

Action 2.1 Consistently Enforce Zoning Code and Design Guidelines

The WABA Design Committee and the City of Alameda Planning and Building Department developed design guidelines for the Webster District, which were adopted in 2001. These were recently updated and are pending approval by the Planning Board. The Webster Street Design Manual was developed to ‘preserve and enhance Webster Street’s architecturally significant buildings and promote new development that relates well to these buildings.’ There are examples of new development, such as the Elders Inn, and Hawthorne Suites, that reflect the guidelines for new development. However, enforcement of the guidelines for existing businesses can be inconsistent. In some instances, nonconforming signs such as temporary signs have not been required to be corrected. While the City’s General Fund budget has reduced Planning and Building staff in order to balance the budget, the City should consider reallocating the resources necessary for enforcement of the zoning code and design guidelines.

Action 2.2 Ensure that Autos being Serviced by Repair Shops are not Visible from Webster Street

Currently multiple vehicles sit on lots that front onto Webster Street. Webster frontage property that houses vehicles being serviced detracts from the potential for improving the street’s pedestrian ambiance. The City should work to prohibit such auto-oriented activities on parcels fronting on Webster Street.

Action 2.3 Continue to Implement the Façade Improvement Program

Action 2.4 Renovate Historic Properties

The City should spur the improvement of existing buildings with the following potential strategies: 1) working with property owners to obtain financing for physical improvements, 2) providing low or no-interest loans for physical improvements 3) providing loan assistance to qualified business owners for purchasing buildings they occupy, 3) City acquisition and rehabilitation of building(s) for resale.

There are a number of properties in the Webster District that should be upgraded or completely renovated. The two-block span between Lincoln and Santa Clara contains several buildings in disrepair whose historic character could create greater value for the whole District. Several properties within this two-block span, such as the Volberg buildings, have already received façade improvements, while other buildings still appear run-down or altered to a degree that significantly undermines their historic character. The Neptune Hotel building has been slowly renovating over time and is now re-tenanted. Further improvements to the properties in this central area of the district would be the best use of leverage to improve the overall physical character of the area by 1) leveraging off the façade improvements that have already occurred and 2) targeting the segment of the district that already has the best pedestrian orientation. (1521 Webster is a prominent building whose façade improvements would have a strong impact.).

Restoration of historic buildings could be achieved in a variety of ways: the City educating and assisting property owners in obtaining historic tax credits; the City introducing loan or grant programs to incentivize property owner or business owner investment in buildings; the City partnering with a property owner or developer to restore a building; or the City partnering with the business/tenant to acquire and rehabilitate the property.

Property owner incentives could include:

- ◆ The City working with property owners to understand the upside potential of upper story condo conversion.
- ◆ Federal historic preservation tax credits for rehabilitation costs (20% tax credit for the certified rehabilitation of certified historic structures, or a 10% tax credit for the rehabilitation of non-historic, non-residential buildings built before 1936.)

Business Owner Investment in Buildings

A capital acquisition assistance program would help small businesses purchase and rehabilitate commercial properties in the Webster District. Assistance could come in the form of low down payments and long-term fixed rate financing for purchased structures. Many Webster properties that are currently in sub-optimal condition are owned by disinterested or absentee landlords. By increasing the opportunities for business owners to acquire and renovate individual buildings through capital acquisition loans, the City would establish a clear path towards, and a mutually supportive relationship between, the dual goals of improving the physical character of the whole district, and attracting strong and viable businesses. Early steps in testing the viability of a Capital Acquisition Assistance program are:

- ◆ Targeting key historic buildings for acquisition and rehab
- ◆ Identification of buildings where property owner is willing to sell
- ◆ Identification of strong businesses who represent good candidates for building purchase

GOAL 3: Create a Parking Strategy for the Long Term

Action 3.1 Create a Long Term Parking Strategy, Beginning with Study of the Potential of Structured Parking w/ Retail at Webster Street and Taylor Avenue

The City needs to commission a parking strategy for the Webster District. As the EDAAW *Physical Opportunities Analysis* suggests, the redevelopment of the parking lot at Taylor and Webster as mixed use with structured parking and retail space represents a potential opportunity for the City to 1) meet some of the Webster District's long-term parking needs through the creation of a parking structure and 2) create new retail space in the location where it would have the greatest synergy with adjacent uses. This development opportunity should be explored in terms of 1) the compatibility of such a project with surrounding character, 2) whether such a parking garage, with an unconventional design would be likely to be well-utilized by visitors, and 3) estimated project costs, and financing options. Whether the Taylor/Webster site is inappropriate for a parking structure or not, the City needs to commission a parking study addressing District-wide parking needs.

Action 3.2 Pursue Reduction of Parking Requirements for Rehab and Infill Projects

The constrained land supply in the District makes the City parking requirement of 5 spaces per 1,000 square feet restrictively high for rehabilitation and infill projects. While parking in-lieu fees are an alternative to provision of parking spaces, these fees are burdensome for small

property owners. Reducing the parking requirement could potentially free up more space for commercial development, thereby creating more rehabilitation and infill possibilities.

COMMUNITY CAPACITY & SUPPLY

GOAL 4: Attract New Businesses that Improve the Retail Draw of the District

Action 4.1 WABA Continue to Track District Properties for Lease and Sale

The West Alameda Business Association maintains ongoing contact with Webster business and property owners through its newsletter, WABA mixers, website and events. Recently, the organization began systematically tracking property vacancies and leases which it updates with information obtained directly from property owners. With an understanding of the physical characteristics and current status of different properties in Webster District, the WABA and the Development Services Department can actively market to businesses that would be an asset to the District, and connect existing businesses with appropriate forms of assistance as needed.

Action 4.2 WABA and City Market Appropriate Space in the District to Retailers

Development Services should work closely with WABA to market space to prospective tenants, and market the District through the Retail e-letter and other appropriate channels. Both the City and WABA should establish relationships with retail brokers who have strong expertise in individual retailer requirements and older downtowns. The City and WABA should ‘shop’ for appropriate businesses in the categories described below, by visiting other areas, and networking with retail brokers. Business attraction should occur in two phases.

Phase I Business Mix

Early generation businesses to target for the District, either through business attraction or fostering of existing businesses, should be primarily high pedestrian activity generators. Activity generators are an important first step in improving the District’s retail climate because they set the stage for other business types such as specialty retailers (apparel, gifts, etc.) to come in a successive generation of tenants. Targeting businesses for attraction entails identifying existing successful businesses through visits to other areas and discussing options for opening a new location in the Webster District.

Restaurants

A unique mix of quality independent restaurants is proving to be the first phase of revitalization in many older main street areas. While there are many quality restaurants in Alameda, especially in the Park Street District, there are further opportunities to serve the West End. This has been demonstrated by the popularity of the recently opened ‘New Zealander’ and Calafia Taqueria, whose quality food and unique ambiances meet a need in the area. Examples of market-worthy restaurants or elements of restaurants to foster in the District include: midscale ‘high concept’; bistro; outdoor seating; healthy breakfasts; kid-friendly; unique ambiance. Preliminary examples of businesses to contact include The Purple Plum in the Glenview District of Oakland, and The Red Tractor, a local franchise located in Dublin that is seeking an historic downtown location somewhere in the Bay Area.

Arts/ Crafts

Recent arrivals to the Webster District include the Alameda Art Center, Needle in a Haystack, and Urban Forest. These businesses indicate an opportunity to further build the Arts and Crafts niche in the area. Arts/crafts businesses in other parts of the City or other areas should be researched and potentially targeted for attraction.

Children’s Gym or other Indoor Activities

Existing classes for children in the City are primarily located in east Alameda. Children’s gyms are very high pedestrian activity generators, including parents with ‘an hour to kill,’ either shopping or eating. Such venues are thus a great benefit to other local businesses. Space requirements for such gyms can be as low as 2,500 square feet, and they often do not have precise parking requirements or co-tenant requirements. The presence of young families in the area and new family housing at Bayport signal an opportunity for children’s activities in the Webster District. Preliminary possibilities include the My Gym franchise, and the Kids in Motion independent business currently located in Piedmont.

Small Grocery/Specialty Food Store

Given the demand for a major grocery store and the lack of opportunity sites for such a project, demand for groceries persists in the Webster District. This represents a potential opportunity for a smaller independents grocery store to locate in the area, or for an existing operator in the area to

expand its current selection to meet a broader need. Because small grocery stores are extremely difficult business models, and very risky start-up ventures, a better strategy would be for the existing Afghani grocery store to re-position in order to meet a broader demand segment of the local market. Alternatively, the WABA could work to attract a small grocer to the area, depending upon the availability of an appropriate space.

Phase II Business Mix

The second phase of business attraction will focus on businesses that would fit with the character of the District and the desires of the community, but for which activity levels are as yet too low to seriously consider the area for a location.

Specialty Retail: Apparel, Florist, Gifts, Bikes, Toys, Outdoor Goods, etc.

Specialty retailers in a variety of categories will be interested in the Webster District once greater pedestrian activity is present.

GOAL 5: Increase the Sales Potential of Existing Businesses

Action 5.1 Expand Sphere of Influence of the Small Business Assistance Program

The City offers assistance to local small businesses through its Small Business Assistance Program, which is funded by the CDBG Microenterprise Program. A business loan can be up to \$25,000, of which \$3,000 can be grant money. The program offers both loans and technical assistance to businesses with five or fewer employees (including the business owner). The business owner must also reside in Alameda. Eligibility criteria also include income limits. The primary businesses that are targeted for attraction to the Webster District, restaurants, typically must employ more than five people to maintain normal operations. Furthermore, because the Alameda housing market is more expensive than many other nearby areas, many Alameda business owners do not reside in Alameda.

The current SBAP criteria are designed for small, disadvantaged businesses in their nascent stages. However, the program could be expanded serve businesses that are already established, but who need further financial resources to effectively implement their concept. Expanding SBAP funding sources to serve a broader array of businesses could benefit Webster businesses. Further funding sources such as other CDBG funds should be explored to broaden the program's scope.

Action 5.2 WABA Coordinate with Small Business Assistance Program

WABA could play a critical role in connecting District businesses with sales expansion potential to the SBAP program, on a case-by-case basis. WABA and the SBAP should collaborate on how to form an effective relationship.

APPENDIX