

DATE: February 4, 2025

TO: Downtown Committee

FROM: Amanda Rotella, Acting Economic Vitality Manager

VIA: Christian Murdock, Community Development Director

SUBJECT: The Retail Coach Report

BACKGROUND

The City of Mountain View is committed to fostering a thriving, dynamic Downtown that serves as the cultural, social, and economic heart of the community. In July 2024, the City engaged The Retail Coach to analyze Downtown retail vacancies and identify factors contributing to prolonged unoccupied spaces. The study aimed to assess the local retail trade area and engage key property owners and brokers to identify barriers to leasing, as well as opportunities for facility improvements, tenant recruitment, and enhanced marketing strategies.

ANALYSIS

The City values the work undertaken by The Retail Coach in compiling the Downtown Retail Vacancy Report and the candid feedback provided by property owners, brokers, and other stakeholders. Ongoing engagement with these groups is critical to supporting the City's goals for a thriving Downtown.

The Retail Coach report captures important perspectives from stakeholders and highlights challenges and opportunities that impact the vitality of Downtown Mountain View. The purpose of this memo is to provide additional context to inform the broader picture of the City's efforts related to the Downtown. The City has been actively implementing initiatives to address Downtown vacancies, improve the tenant mix, and streamline processes to support business and property owner investment. Below, are updates regarding key issues raised in the report, including actions already underway and planned initiatives aimed at further strengthening Downtown as a vibrant and dynamic destination.

1. Clear Vision for Downtown's Future

Property owners expressed their perception of a lack of clarity regarding Downtown's long-term vision, impacting their willingness and ability to make investments. The City acknowledges that shaping a successful Downtown is a shared responsibility — one that requires collaboration between the City, property owners, and stakeholders to align long-term planning goals with

market realities. The City understands that property owners need a clear understanding of Downtown's future to make informed investment decisions. To address this:

- The City is actively working on an update to the Downtown Precise Plan, which will include an updated vision for land use, redevelopment, and tenant mix in Downtown Mountain View. It will be the first comprehensive update to the plan in the nearly 40 years since its adoption. The City recognizes that the plan, which was originally adopted in 1988 and has had several limited updates over the years, may not be serving property owners, businesses, and the broader community to achieve the City's vision for the coming decades. Stakeholder engagement will be a priority in this process to ensure alignment between City goals and private-sector opportunities, and the City has budgeted for up to 40 stakeholder engagements during the update process. The plan update is anticipated to be completed in late-2027, with a Council study session on the Downtown vision anticipated in Fall 2025. Additional information and updates on engagement opportunities are available on the [City's project webpage](#).
- Significant placemaking investments have been made to establish the Castro Street Pedestrian Mall including new programs, public art installations, and activation efforts to reinforce Downtown as a premier regional destination. To create additional opportunities for business participation and activation of the pedestrian mall, the City launched the Outdoor Patio Program. As part of this effort, the City funded outdoor furniture grants to increase the cohesiveness and aesthetic appeal and bring additional resources to Downtown properties. The City is also working towards the design and implementation of a permanent pedestrian mall. While still a few years away, this project aims to bring a cohesive, functional, and well-integrated look and feel to the heart of the Downtown.

2. Challenges with Permitting & Development Processes

Many property owners and brokers indicated that working with the City can be difficult due to lengthy permitting timelines, inconsistent guidance, and changes in points of contact. The City acknowledges these concerns and recognizes that efficiency and clarity in the permitting process are critical. The City has already initiated several efforts to improve this process:

- Over the past several annual budgets, the City has increased staffing for building permit reviews and economic development, to provide more support and responsiveness for businesses trying to open or expand Downtown. While these staffing increases have helped improve service, more remains to be done and the City is committed to continual



improvement in the permitting process, such as the One Stop permitting service described below.

- In 2023, the City introduced ePermitsMV, an online permitting platform that provides 24/7 access to permit applications and status updates. This platform now includes services for Planning, Public Works, Heritage Tree Removals, and Outdoor Patio Licenses, in addition to Building and Fire Permits. This captures the vast majority of City permits that property and business owners need to operate in the Downtown.
- In 2024, Mountain View debuted the new Development Permits Specialty Website. This customer-focused website provides centralized information on applying for and obtaining permits, typical fees and time frames, as well as details on the many facets of development. The new site currently offers information on single-family home improvement permits and common permits for new businesses. It also features Permit Finder, a navigation tool that connects users to permit information related to their project. This website has been created in collaboration with development and business stakeholders with the goal of making permitting information easier to find and the permitting processes clearer.
- As part of the Economic Vitality Strategy, the City introduced the Business Ambassador Program, a multi-department team that helps businesses navigate permitting requirements. This program supports established businesses making improvements, as well as brokers and developers seeking guidance on commercial spaces in Mountain View.
- The City is nearing a relaunch in early 2025 of its One Stop permitting service for certain types of small business permits, such as retail and small office uses. The City previously had a One Stop permitting service prior to the COVID-19 pandemic and the relaunch will provide an additional way for businesses to more quickly open in Mountain View.
- During the last annual budget process, the City adopted performance metrics including on-time review rates for building permit applications and other permits. The first report on the City's progress towards these performance metrics will be released soon, and will provide valuable information on where further improvements can be made to increase the timeliness of the City's permit review processes.

3. Supporting Property Owner in Leasing and Activation

Some property owners spoke to hesitancy in leasing spaces in the short term, citing long-term redevelopment plans or challenges with the financial feasibility of leasing to small businesses.



The City recognizes the significant challenges property owners face in making spaces tenantable, including financial constraints and the inherent difficulties posed by the size and configuration of their spaces. To support property owners, the City is working to remove barriers and provide additional resources to address these issues while also exploring multiple ways to support and encourage near-term activation strategies that contribute to a vibrant and dynamic Downtown. To this end:

- In response to business stakeholder feedback, the City recently updated the allowable uses in Downtown, providing greater flexibility and streamlining approvals for restaurants and entertainment businesses. These updates are intended to expand leasing opportunities and diversify Downtown’s business mix.
- The City has launched new incentives and tools to encourage property owners to activate vacant spaces, including:
 - The Façade Improvement Grant Program aimed at providing additional resources to enhance the attractiveness of commercial properties to existing and prospective tenants.
 - A retail pop-up program to activate vacant spaces and provide short-term leasing opportunities for emerging businesses.
- The Economic Development team is actively working to engage property owners in marketing their spaces and supporting new tenants throughout the permitting process.

4. Strengthening Property Owner Engagement

The City recognizes that ongoing communication and collaboration with property owners is essential to fostering a vibrant and successful Downtown. The Retail Coach report highlighted key areas where more City updates and greater outreach can further strengthen relationships and support leasing efforts. To this end, there are existing and new initiatives aimed at keeping property owners, brokers, and business stakeholders informed and engaged:

- The City will be reintroducing broker breakfasts to strengthen relationships with local leasing partners. These meetings provide a valuable forum for real estate professionals and property owners to connect with City staff, discuss market trends, gain insights into City initiatives and policy updates, and explore leasing opportunities in Downtown.
- The City launched the Downtown Digest in March 2024. This bi-monthly newsletter delivers targeted updates on policies, programs, events, and City initiatives that impact Downtown, and serves as a dedicated resource for the community to stay informed on all



things Downtown. To read the current issue and join the distribution list, [visit the Downtown Digest webpage](#).

- The Economic Development Biz newsletter is a monthly resource tailored for the business community, with updates on local and regional resources and City programs and policies. Visit the [Economic Development team webpage](#) to subscribe.

NEXT STEPS

While the Retail Coach report highlights various challenges, it also reinforces the strong potential for Downtown Mountain View to continue growing as a vibrant, successful district. The report's demographic and retail trade analysis underscores the significant economic opportunities that exist in Downtown.

The City remains committed to strengthening communication and collaboration with property owners and businesses; improving development and permitting processes to support investment; refining Downtown's vision through the Downtown Precise Plan update; and expanding business recruitment efforts to attract a diverse tenant mix. The City's commitment is evidenced by the efforts summarized above, and many others the City continues to work on.

Importantly, the City welcomes any and all feedback that identifies areas for improvement, and encourages business owners, property owners, and other stakeholders to communicate their perspectives and work with the City in its ongoing efforts to foster a thriving, dynamic Downtown.