



MARTINEZ

CALIFORNIA

Citywide Retail Commercial Study & Analysis, January 2024



Executive Summary

Martinez, a city rich in history and community spirit, stands as a testament to reliability, charm, and celebration in the heart of the East Bay. Home to notable figures such as John Muir and Joe DiMaggio, this welcoming and steadfast locale, nestled in the Alhambra Valley, is a mosaic of serene outdoor spaces and pedestrian-friendly neighborhoods.

The purpose of the Citywide Retail Commercial Study & Analysis (“the Study”) is to analyze the unique atmosphere of Martinez and identify opportunities for retail attraction. Despite challenges, the City has demonstrated the potential for significant improvement in its retail sector, experiencing a remarkable 91 percent increase in retail activity over the past year—an impressive rebound from the downturn during the pandemic.

The analysis identifies over 30 specific retail categories that could be targeted for attraction, including wine shops, restaurants, and groceries. While Martinez is situated in a competitive retail region, it faces certain issues that, if addressed, can unlock its full retail potential. The Study recommends key policy changes, with a strong emphasis on adding housing (1,000+ units) in the Downtown area to support the demand for retail and foster continued growth, while evaluating light industrial sectors to improve attraction to Martinez.



Introduction

This Study focuses on evaluating the potential of the City to attract a diverse range of retail, food and beverage, commercial, destination, hospitality, entertainment, and new regional industry employment concepts. The Study's methodology uses an "Opportunities and Constraints" review that will describe the existing community, commercial, retail, industrial, and market characteristics of Martinez and the surrounding metropolitan area. The primary goal is to recommend economic development policies to enhance the existing opportunities and community assets, and implement actions to address mitigations of the identified market constraints. The objective of these recommendations is to increase pedestrian foot traffic in Downtown, draw more destination visitors, enhance the vibrancy of the Downtown and its surrounding regions, boost sales tax revenues, and ultimately improve the overall quality of life within the community.



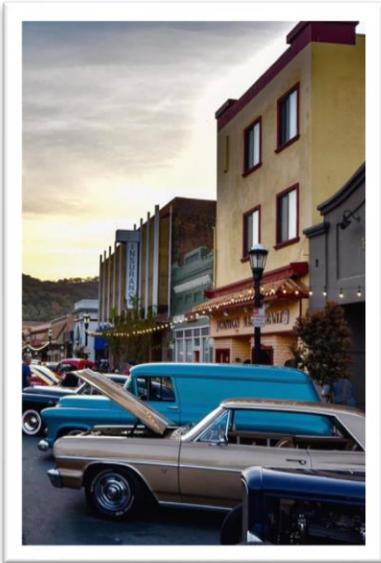
A draft Marketing flyer was also created to brand the collage of shops and attractions and to summarize the reasons a business should locate in Martinez.

To determine the City's suitability for attracting various types of businesses, the study employs an in-depth analysis of local demographics, assessment of automobile traffic patterns, and a void analysis that identifies what types of retail and commercial concepts are currently absent in Martinez. Furthermore, the Study conducts a retail match analysis, building upon the findings from the void analysis to compare the specific interests of potential retailers to the features of the City's retail districts.

Additionally, the methodology used to assess Martinez's economic development potential focuses on three submarkets: 1) Downtown, 2) Highway 4 and Alhambra Avenue, and 3) Highway 4 and Morello Avenue. Each of these submarkets is compared with each other to ascertain which specific new retailers and business opportunities can be located in each submarket.

The following research also includes a thorough examination of local sites, site inspections, and interviews with key stakeholders, including representatives from the Martinez Chamber of Commerce, and Downtown Martinez & Co. The City recently initiated several policy initiatives, outlined in the documents below, aimed at achieving its economic development goals:

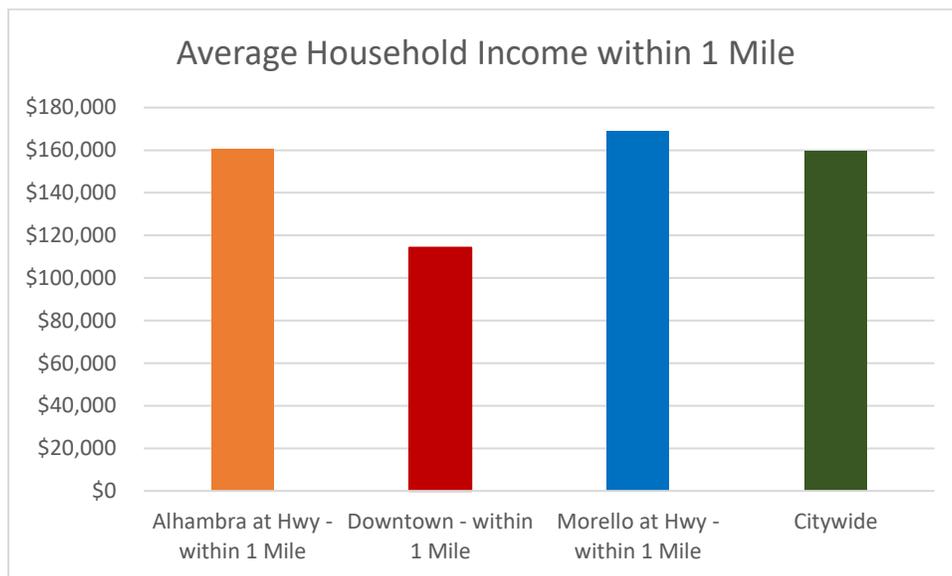
- [General Plan 2035](#)
- [2023- 2031 Housing Element](#)
- [Waterfront Marina Draft Trust Lands Use Plan Draft, 2023](#)
- [Downtown Parking Study](#)
- [Downtown Specific Plan](#)
- Economic Peer Review of the Martinez General Plan update
- Martinez Marina Conditions for the Waterfront Marina Trusts Lands Use Plan
- Contra Costa Medical Center Redevelopment and Expansion Plan
- [Contra Costa County Facilities Master Plan](#)



Community Profile

Economic Strengths

Martinez has a population of 37,287 residents and 14,397 households, including 504 households in the downtown area, as of August 15, 2023 (source: esri) The City holds a prominent regional position, serving as the Contra Costa County Seat of Government, and hosting over an estimated 7,000 County employees within its borders. It functions as the administrative hub for 19 cities, providing essential services such as the County Legislature, County Courthouse, Sheriff's Department Headquarters, Hall of Records, and the Correctional Facility. Additionally, Martinez is home to the Contra Costa Regional Medical Center and the Contra Costa Veterans Service Office. The average household income in all of Martinez is approximately \$159,500, slightly lower than Contra Costa County's average income of \$167,205.



Martinez encompasses 13.1 square miles. To its north lies the Carquinez Strait, while the western border is the Carquinez Strait Regional Shoreline Park. On the southern side, you'll find single-family homes, and to the east is a cluster of region-serving industrial and service commercial uses. Martinez prides itself on its 17 parks and top-tier aquatic facilities, sprawling open space, as well as its world-class bocce courts, and multiple indoor expansive sport centers. The Downtown area of Martinez boasts a 70-acre marina featuring over 377 boat slips. Downtown is also home to a highly-rated and diverse restaurant and adult beverage scene, with over 70 food service uses citywide.



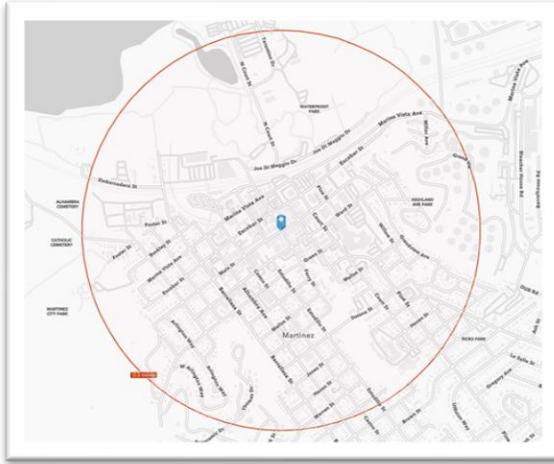
Martinez hosts several regional events such as the Craft Beer Festival, Makers Market, 4th of July Parade, the Martinez Bocce Federation, King of the County BBQ & Music Festival, Martinez Martini Shake Off, to name a few. These festivals draw regional visitors from a 20 mile radius, and sometimes from beyond.

Every city faces economic development challenges and growth constraints, and Martinez is no exception. According to the City's Draft Waterfront Marina Trust Lands Use Plan (September 2023), Martinez is projected to have slowed population and household growth. These figures point to an aging population. Older populations generally generate less local sales tax and decrease tourism activity than neighboring communities. In addition, since 2009 there has been a 10 percent decrease in the number of workers living and working in Martinez. The City has struggled to attract large employers due to limited existing commercial/industrial space, limited available land for residential and commercial development, underdeveloped infrastructure, and competition from job hubs in the surrounding region. Therein lies an opportunity to evaluate commercial and light industrial zoning to seek opportunities to evaluate regulations to further incentivize and streamline commercial and industrial development and expansion, similar to how the programs in the 2023-2031 Housing Element should incentivize housing production.

Downtown Martinez is located approximately two miles west of Interstate-680 and two miles north of Highway 4. These distances present challenges when trying to attract regional shoppers, employers, and residents to the cultural core of Martinez. Many commercial buildings in the downtown area are older structures that command lower rents and experience higher vacancy rates compared to nearby markets. More than eight buildings in Downtown have ground floors that are currently in disrepair and difficult to lease, likely vacant for an extended

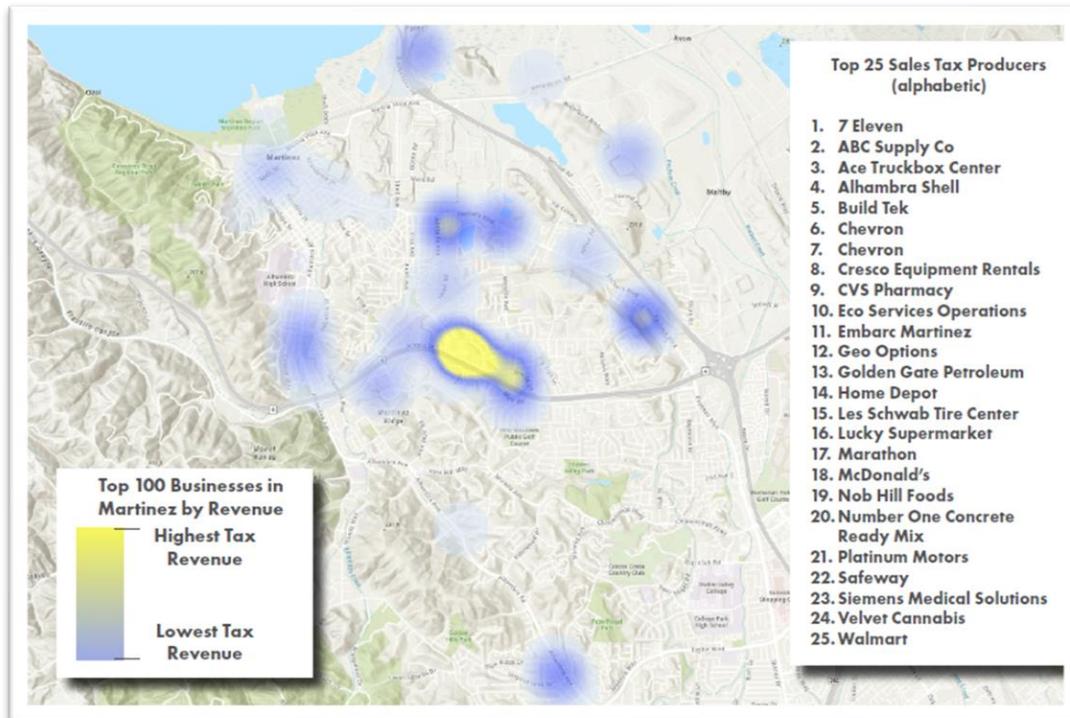
period, negatively impacting neighboring retailers. Due to the type of historic buildings featured in Downtown, the tenant mix predominantly consists of small independent "mom and pop" retailers and commercial users, with limited national retailer presence.

The void analysis and the subsequent growth enhancement strategies outlined in this Study aim to address these constraints and stimulate economic growth.



The recent pandemic has significantly impacted the Martinez economy, mirroring the challenges faced by other cities in the region. The pandemic accelerated the national and local trends of remote work in the office and county government sectors. This, combined with the increasing prevalence of online retail shopping, has converged to further limit and hinder Downtown's vitality.





Sales Tax

In 2023, retail in Martinez showed a marginal growth rate of 0.9 percent over the prior year, reflecting a significant post-pandemic recovery (Source: HdL CC County Exhibit "Martinez 3Q23 Final Reports"). The HdL report submitted to the Martinez Budget and Finance Subcommittee in January 2024 forecasts Sales Tax at \$5,300,000 (*net, accounting for tax sharing agreement*). Sales tax receipts for Downtown and the Waterfront & Marina accounted for only 5.4% of the total. Restaurants and hotels collectively currently constitute just 3 percent of the total sales tax revenue at the end of the third quarter of 2023. In contrast, Contra Costa County experienced a 2.3 percent increase in sales tax receipts for the third quarter of 2023 compared to the same period in 2022. This growth was driven by sectors such as restaurants, hotels, and building and construction, which saw slight year-over-year increases. Among these sectors, the food/hospitality and automotive industries hold the greatest potential for growth and increased sales tax revenue generation for the City.

Not to be overlooked is the sales tax generated by Business to Business in the business and industrial sectors. Siemens Medical Solutions, Cresco Equipment Rentals, Gold Gate Petroleum, various repair and equipment rental services, construction services amongst others, are all significant contributors of local sales taxes bringing many hundreds of thousands of dollars to the City. There is a major opportunity to expand this revenue sector. North Pacheco Boulevard, in addition to other areas near the various Highway 4 Interchanges, plus sites proximate to the refineries, are all existing assets that can be rezoned for employment centers. This, along with a

highly trained local workforce, would attract other major industries including Clean Tech, Advanced Manufacturing, Transportation, Energy Storage Systems, and Renewable Energy Technologies.



Demographics

(Exhibit Pages 1 through 5) Sources: ESRI and 2020 Census

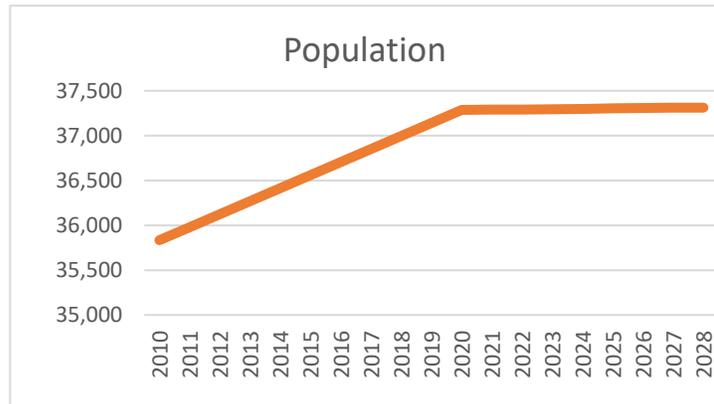
As we examined the demographic data, we noted that nationwide, the 35 to 64 year old group had, on average, the highest level of total annual expenditures (\$42,236), and spent more than the other two household groups in all major expenditure categories, except for alcoholic beverages, health care, and cash contributions. According to a recent study by VISA looking at consumer spending by generation, “Generation X”, spends the most amount of money per year. The Study defines Gen X as people born between 1965 and 1980.

The demographic analysis focuses on population, household income, and age for each submarket, and compares it to Contra Costa County. We also examined half mile, one mile, three mile, five mile, and ten mile radii demographics for the three submarkets.

These three locations were selected as three distinct “common knowledge” trade areas that can be compared with one another using identical methodology. We also looked at traffic counts for the various main arterials. For Retail, the higher the traffic counts the better. Many retailers indicate that they have minimum household income, population and traffic parameters that must be verified before selecting sites for new stores.

City of Martinez as a Whole

- The population in 2023 stands at 37,287 and is expected to experience a slight increase to 37,312 by 2028, reflecting a 0.01 percent growth rate.



- The average household income, according to the 2023 Census, is \$159,503 and is projected to rise to \$180,911 by 2028. Contra Costa County, by comparison, has a house average household income \$167,000 in 2023 which expected to increase to \$189,278 in 2028.
- The current population in the 45 to 54 age group, which is the prime discretionary spending group is 18.3 percent and is expected to decrease to 12.3% in 2028. this compares favorably with the Contra Costa County average of 13.9 percent in 2023 which decreases to 13.3 percent in 2028.
- The current population over the age of 55 is 26.4%, and by 2028, this percentage is expected to grow to 37.5%.

Demographics Radius

The following set-radius demographic method is what regional and national retailers analyze to determine if they want to locate a store in a given metropolitan area and region. Each radius study area is used to predict potential store sales at that location. Overlaying retailer new store parameters will assist economic development efforts to identify potential retail concepts and possible retailers.

Downtown Martinez (Main Street and Ferry Street)

One-Mile Radius

- In 2023, the population is 7,383, with a projected slight increase to 7,396 by 2028, reflecting a 0.2 percent growth rate.
- The average household income, per the 2023 Census, is \$114,208, and it is expected to increase to \$132,638 by 2028.
- The current population in the 45 to 54 age group which is the prime discretionary spending group is 17.9 percent and is expected to decrease to 11.5 percent in 2028.

- The current population over the age of 55 is 34.3 percent, and this percentage is expected to grow to 35.3 percent by 2028.

Three-Mile Radius

- In 2023, the population is 38,082 and is expected to decrease slightly to 38,060 by 2028, representing a -0.1 percent change.
- The average household income, according to the 2023 Census, is \$142,095, and it is projected to increase to \$162,467 by 2028.
- The current population in the 45 to 54 age group which is the prime discretionary spending group is 12.8 percent and is expected to decrease to 12.1 percent in 2028.
- The current population over the age of 55 is 34.7 percent, and by 2028, it is expected to grow to 36 percent.

Ten-Mile Radius

- In 2023, the population is 528,800 and is expected to experience a slight increase to 531,921 by 2028, reflecting a 0.59 percent growth rate.
- The average household income per the 2023 Census is \$155,365 and is projected to increase to \$176,243 by 2028.
- The current population in the 45 to 54 age group which is the prime discretionary spending group is 12.3 percent and is expected to decrease to 12.2 percent in 2028.
- The current population over the age of 55 is 33.5 percent, with an expected increase to 34.1 percent by 2028.

Alhambra and Walnut Avenue

One-Mile Radius

- In 2023, the population is 7,747 and is expected to grow slightly to 7,776 by 2028, representing a 0.37 percent increase.
- The average household income per the 2023 Census is \$160,644, and it is projected to increase to \$182,659 by 2028.
- The current population in the 45 to 54 age group which is the prime discretionary spending group is 12.3 percent and is expected to decrease to 11.5 percent in 2028.
- The current population over the age of 55 is 37.3 percent, and by 2028, this percentage is expected to grow to 38.3 percent.

Three-Mile Radius

- In 2023, the population is 47,472 and is expected to decrease slightly to 47,410 by 2028, reflecting a 0.14 percent decrease.
- The average household income per the 2023 Census is \$162,984, and it is projected to increase to \$184,353 by 2028.

- The current population in the 45 to 54 age group which is the prime discretionary spending group is 12.9 percent and is expected to decrease to 12.4 percent in 2028.
- The current population over the age of 55 is 36.3%, and by 2028, it is expected to grow to 37.2 percent.

Ten-Mile Radius

- In 2023, the population is 553,798 and is expected to grow slightly to 557,216 by 2028, representing a 0.62 percent growth rate.
- The average household income per the 2023 Census is \$167,655 and is projected to increase to \$189,431 by 2028.
- The current population in the 45 to 54 age group which is the prime discretionary spending group is 12.3 percent and is expected to decrease to 12.2 percent in 2028.
- The current population over the age of 55 is 35.1 percent, and by 2028, it is expected to grow to 35.9 percent.

Morello Avenue and Highway 4

One-Mile Radius

- In 2023, the population is 13,693 and is expected to grow slightly to 13,806 by 2028, reflecting an 0.83 percent increase.
- The average household income per the 2023 Census is \$168,720 and is projected to increase to \$190,548 by 2028.
- The current population in the 45 to 54 age group which is the prime discretionary spending group is 12.8 percent and is expected to decrease to 12.2 percent in 2028.
- The current population over the age of 55 is 35.5 percent, and by 2028, this percentage is expected to grow to 36.4 percent.

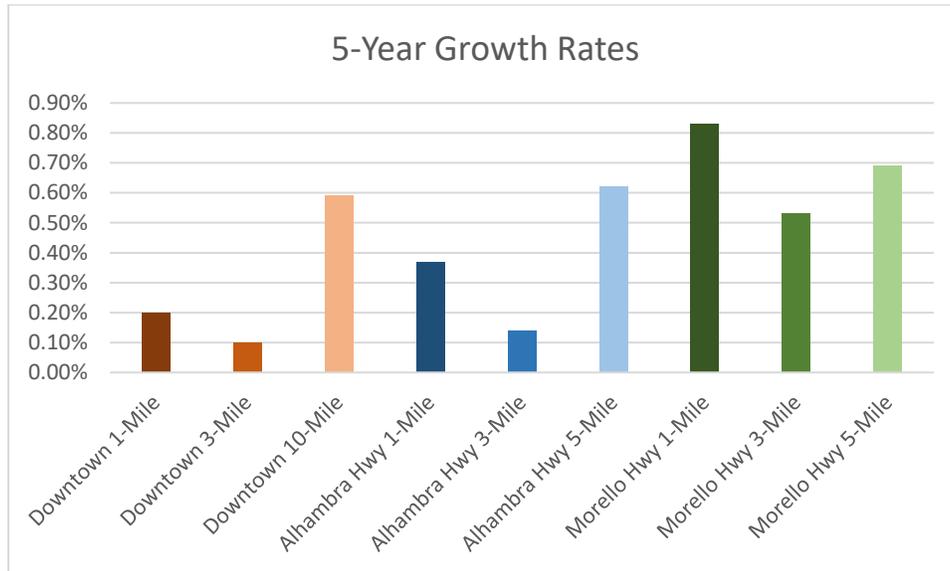
Three-Mile Radius

- In 2023, the population is 65,315 and is expected to grow slightly to 65,662 by 2028, representing a 0.53 percent growth rate.
- The average household income per the 2023 Census is \$163,011 and is projected to increase to \$185,032 by 2028.
- The current population in the 45 to 54 age group which is the prime discretionary spending group is 12.8 percent and is expected to decrease to 12.3 percent in 2028.
- The current population over the age of 55 is 36.2 percent, and by 2028, it is expected to grow to 37.1 percent.

Ten-Mile Radius

- In 2023, the population is 517,480 and is expected to grow slightly to 521,069 by 2028, reflecting a 0.69 percent growth rate.

- The average household income per the 2023 Census is \$169,504 and is projected to increase to \$191,463 by 2028.
- The current population in the 45 to 54 age group which is the prime discretionary spending group is 12.3 percent and is expected to decrease to 12.2 percent in 2028.
- The current population over the age of 55 is 35 percent, with an expected increase to 35.7 percent by 2028.



The demographic trends for the City as a whole and for each of the submarkets shows the population will slowly grow over the next five to ten years and will age, which is a symptom of slow growth. This trend is occurring in Contra Costa County as a whole and throughout the entire San Francisco Bay Area, but it is not universal to every city or neighborhood. If nothing is changed, or if new economic development policies are not implemented, the mix or composition of retailers in Martinez will stay the same, and become more vulnerable to business closures. Other cities in the 680 Corridor are keenly aware of this, which is why Bishop Ranch in San Ramon is demolishing over 1.6 million square feet of the Chevron office Campus and another 300,000 square feet of office space elsewhere to build over 3,500 residential units thereby attracting a younger demographic profile to shop and work.

Significant amounts of housing of all types would need to be added in Martinez in order to increase population counts and attract a younger demographic and workforce that will attract more retailers and employers. The 2023-2031 Housing Element includes a number of programs to encourage the development and preservation of housing, such as the creation of the Alhambra Avenue Overlay District and the Community Services Overlay District, streamlining and incentivizing the production of accessory dwelling units, and modifications to development standards such as height and parking requirements.

Additionally, the 2023-2031 Housing Element calls for outreach with housing developers as these regulatory enhancements are implemented.

Traffic Counts AADT (Average Annual Daily Traffic)

Traffic counts is another criterion that retailers use when making new site decisions.

Downtown Main Street between Court and Alhambra

- Main Street to Ward Street on this stretch has 6,330 Average Annual Daily Traffic (“AADT”).
- Ferry Street between Marina Vista and Green Street, 1,970 Average Annual Daily Traffic

Alhambra Avenue the four blocks north of Highway 4

- 23,720 Average Annual Daily Traffic

Morello Avenue Highway 4 to Ashford Place

- 20,100 Average Annual Daily Traffic

Arnold Drive from Morello Avenue to Center Avenue

- 5,311 Average Annual Daily Traffic

Center Avenue from Highway 4 south to Kaiser Driveway

- 15,020 Average Annual Daily Traffic

Note the average annual daily traffic are generally low, along with foot traffic, in Downtown, in line with population densities within the one- and three-mile radius of Downtown. National and Regional Retailers look for 20,000 to 30,000 car trips per day. The sections of Alhambra Avenue and Morello Avenue near Highway 4, with their higher traffic counts, have the opportunity to upgrade their national and regional retailer profile. The current commercial retail mix in Downtown primarily consists of "mom and pop" tenants, which aligns with the aforementioned demographics. Most city residents anywhere in the Bay Area do not want more traffic but high traffic counts are a must for commercial retailers. Adding more housing and regional events will help increase traffic, attracting more retailers, restaurants, and other commercial entities. Slowing traffic on Pine Street, which does not have a retail corridor presence, and routing traffic on Alhambra Avenue and Morello Avenue could also shepherd an increase in traffic counts.

Downtown Parking Study Summary and Recommendations for Downtown Martinez

The Downtown Parking Study found that Downtown parking demand did not meet or exceed the availability of on-street and off-street parking. In 2019, before commuting patterns changed due to the pandemic, parking utilization remained below optimal peak-hour levels for the mid-day peak period.

On average, there were more than 1,100 available parking spaces out of a total of 3,040, encompassing both off-street and on-street options. Notably, the utilization rate for on-street parking, whether metered or unmetered, remained consistently at 50 percent. Meanwhile, off-street parking lots operated at an average utilization rate of 87 percent during peak weekdays.

Based on the findings of the parking study and the understanding of initiatives underway, we support the following:

- Over the next 1 to 2 years, consider adjusting parking rates and limits on the most frequented streets in Downtown.
- Gradually increase parking fees to align with actual demand, especially for the most sought-after public off-street facilities and on-street spaces.
- Utilize meter-rate updates to establish both higher-priced "premium" zones and lower-priced "value" zones.
- Explore the possibility of offering free parking for the first hour of metered parking in value zones to facilitate a smoother transition to on-demand pricing for drivers.
- Implement parking time limits that cater to the needs of intended visitors. Shorter time limits can be beneficial for areas with high visitor turnover, while more extended time limits may be appropriate for off-street facilities with lower utilization.
- Install signage communicating parking regulations clearly, including restrictions and time limits.

Amtrak Station, Bus Station, Mobility Hub, San Joaquin Regional Rail

254,100 passengers boarded, off-boarded, or transferred at the Martinez Amtrak Station along a number of routes. The San Joaquin Bus/Rail Route 7 alone contributed 35,164 passengers to this number alone. Despite the amount of foot traffic density, there is not a cluster of businesses to serve this moving population. Where appropriate, entertainment events could 'reach' further to connect with this station, additional retail and commercial could be deployed in the blocks between the station and downtown.



Void Analysis

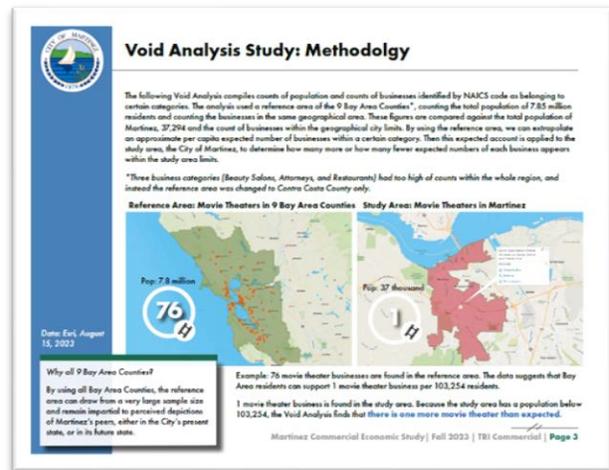
See attached Main Exhibit pages 6-8

Void Analysis is a methodology that characterizes a given geographical area by conducting a comparative assessment with a significantly larger reference area. The version conducted in this study relies on population counts. We factor in additional demographic elements such as income, accessibility, mobility, education, and the like for context. The Void Analysis compares population to a tally of the business type as defined by NAICS. These business types are reliant on each business' self-described nature, and therefore even if two businesses fall within the same category, they may vary in function.

The population-per-business ratios produced by Void Analysis are theoretical constructs and should not be misconstrued as an inherent indicator of a business's potential success in the study area. A business's prosperity hinges on a multitude of diverse and interrelated factors.

The void analysis found that a number of categories that indicated a potential for more businesses had too much overlap with each other within small one- and three-mile demographic radius rings. Density, and attracting a younger and larger local population within or close to Downtown, has the potential to draw the interest of numerous regional and national retailers that have not hitherto contemplated establishing a presence in the area. Our Void Analysis suggests that an additional 1,500 to 2,000 residents in proximity to Downtown could entice higher-end restaurants, retailers, and commercial service providers, thereby supplanting low-traffic businesses like antique stores. The Cities of Walnut Creek, Bishop Ranch in San Ramon, Dublin, and Concord are examples of cities who have plans to increase significantly housing densities in their downtowns

Planned improvements such as marina upgrades, streetscape enhancements, parking arrangements, and enhancements to the Mobility Hub would complement and create an environment for increased residential opportunities. This strategy may necessitate zoning changes to accommodate higher densities, including the construction of three- and four-story mixed-use residential buildings at strategic Downtown locations, as well as the relocation of the corporation yard away from Downtown. The strategy also should include the repurposing of certain properties, including the Mobility Hub parking lot and industrial property on Embarcadero Street.



Sample page from Exhibits in Appendix describing Void Analysis methodology.

Additionally, by attracting regional tourists, visitors, and employers, Downtown can be further enriched and become more attractive to high-quality tenants, developers, investors, and property owners. Doing this off-sets conventional population requirements by introducing “part-time” shoppers who are not residents.



View of Corporate Yard and Surrounding A1 located at 300 Alambra Avenue in West Downtown Martinez by the Mobility Hub.

The Void Analysis calls for the consideration of which types of businesses can viably be attracted to Martinez. Some commercial retailers generate taxable sales revenue and elevate prestige in traditional categories, which then attracts other retailers, but they need easily accessible locations. Others operate within a destination's ecosystem, which typically demands a thriving shopping hub, frequent event centers, or a robust employment center. This latter group of commercial users tends to be more upscale and glamorous, and they can be nurtured by a synergistic anchor destination. Retailers such as Trader Joes and Starbucks are demographic “tell tale tenants” that other regional and national tenants take note of. Major medical clusters and/or industrial specific clusters also catch the attention of certain employers. In the forthcoming sections of this report, TRI Commercial will propose several concepts that Martinez could pursue to entice Destination Users to Downtown.

Specific Voids

Out of the more than 160 categories of retailer and commercial uses conducted in the analysis, a few categories came to the fore that were underserved. These retail categories have fewer sites than expected, as well as reasonably attainable in comparison to nearby market factors, and are outlined below.

Financial and Real Estate: Specifically, along the highway corridor, but also Downtown as an upper-floor tenant of a mixed-use building, off-Main Street. These uses would also increase daytime traffic which would aid adjacent retail uses.

Beauty Salons and Barbers: Unlike restaurants which offer a variety of choices to a single person, beauty salons and barbers typically see clients returning to the same establishment. This increases the opportunity to have a contained daytime retail commercial audience within the City where people would visit various stores, banks, commercial services on the same trip or visit.

Restaurants: Especially fast casual and casual dining.

Ice Cream Parlors/Confectioners/National Coffee Chains: The presence of ice cream parlors, chocolate shop, bakery, and national coffee chains (such as Starbucks and Peet's) is indicative of a healthy retail cluster.

Women's Apparel Stores: Clusters of women's apparel stores can transform into event destinations, driving pedestrian traffic to nearby restaurants, bars, and shops.

Wine Stores : Martinez has a unique opportunity to encourage local wineries, such as Viano Winery and Vineyards, to open tasting rooms of co-ops downtown and expand upon the presence of William Welch Wines. Further opportunity would be to connect with the North Bay wine country by considering a "Wine Train" concept on Route 7, running from the Martinez train station to Sonoma. This could lead to wine and beer tasting venues in Downtown, elevating Martinez's branding and prestige.

Positive Insights from Void Analysis

In summary, the Void Analysis study highlights over 35 user types within 22 categories that may have a potential void in Martinez. The average square footage for each user type in these categories ranges from 1,000 square feet, (for salons, barbers, or ice cream stores), to two acres with 15,000 square feet of building space (for a car dealership or specialty grocery). Identifying specific locations or intersections that align with the criteria for these potential categories and users would require a more exhaustive study.

From a tax revenue perspective, attracting a conventional new car dealership could significantly contribute to the City's finances; however, the pool of brands to attract is small due to significant competition from Concord and Walnut Creek. An exception could be attracting an

electric vehicle dealership/showroom. Electric vehicle charging stations are also viable, are an actively growing tenant category and take up smaller parcels or fit in at existing locations. Additionally, the addition of a couple of discount midsize retail stores like TJ Maxx, Home Goods, or dd's DISCOUNTS, typically leasing 20,000 to 30,000 square feet and requiring 60,000 to 90,000 square feet (1.5 to 2 acres) of land, would enhance the City's revenue. These businesses would benefit from freeway visibility to expand their trade area.

Prioritizing improvements to city-wide demographics, facilitating vertical housing access, adapting zoning regulations, and activating existing or potential venues should be the focus, as these actions would significantly enhance Martinez's attractiveness to potential users for their next facilities.

We also examine specific stores that are not currently located in Martinez to assess some of the concepts identified in the Void Analysis (refer to main exhibit pages 9 through 16), which are outlined below.

Trader Joe's/Specialty Grocer: Alhambra Avenue near Highway 4 meets only some of their requirements. Nevertheless, there is a deficiency in the education levels that Trader Joe's typically seeks. Downtown is challenging for attracting a tenant of this type, because grocery is commuter-oriented – nearly all of the store's clientele are passing by the Highway 4 retail clusters with high frequency – therefore that is a preferable site location. Virginia Hills could be a feasible home, but likely is subject to too close of competition.

Orange Theory/ Specialty Gym: Both Downtown and locations near Highway 4 meet some of the acquisition requirements, especially in terms of the average household income, which is approximately \$160,000. This income level creates a demand for higher-end specialty gym concepts.

Jersey Mike's Subs/Fast Casual: Alhambra Avenue and Morello Avenue submarkets definitely meet the requirements for this store. However, Downtown falls short in terms of population and vehicle traffic unless there is increased local residential growth.

Altitude Trampoline Park and More/Experiential Use: Downtown does not seem to have the right type of buildings or strong name recognition retailers in close proximity to support such a venture. However, Morello Avenue might be a viable option, although it also lacks the required building size availability.

Store Sales per Store Relative to Retail Industry Standard

Sales for Martinez businesses compared to sales of the same business located elsewhere is an important criteria the regional and national retailers and commercial tenants review.

Below is a sample of three major retailers in Martinez, outlining their rankings in same store sales compared to other stores within their respective systems.

- The median Walmart in California achieves a sales volume of \$51,996,000, with Martinez ranking 22 out of 68.
- The median Home Depot in California records a sales volume of \$61,430,000, with Martinez ranking 206 out of 240.
- The median Safeway in California reports a sales volume of \$27,015,000, with Martinez locations ranking 126 and 200 out of 251.

These statistics reveal that Walmart performs in the upper third of its stores when compared to others, while Home Depot and Safeway both fall below their median store averages. Success of these telltale brands is crucial for preserving the retail ecosystems that surround them and for attracting more business.



Preliminary Findings

Presently and in the near future, Martinez lacks some of the demographic criteria necessary to attract national and regional retailers due to insufficient population density, with a few exceptions described earlier. A lack of critical mass, lower household income levels, and limited local pedestrian and vehicular traffic are all factors.

The central question is: What economic development opportunities exist in Martinez that can be developed or enhanced to alter these dynamics?

Once identified, what strategic initiatives and tactical policy steps can be put into action to draw various destination and entertainment concepts that can boost spending and sales tax revenues in and around Downtown, drawing a population from a 10-20 mile radius? These concepts might encompass attracting experiential uses such as additional live theater, a modernized movie theater, music concerts, rodeo events, parades, extreme sports competitions, experiential retail, the establishment of a wine train terminus with nearby tasting rooms, as well as encouraging NorCal Courts and Universal Sports Academy to host additional regional tournaments.



As discussed previously, there are well-documented studies explaining why Downtown Martinez is as it stands today. In general, cities experience growth and decline throughout history. The distinction here is that a proactive economic policy which the City has started to implement, focusing on implementing and enhancing the economic drivers outlined below will mitigate any decline and usher in a more prosperous, vibrant, diverse, and successful Downtown. The ultimate goal is to provide incentives for visitors, shoppers, and employers from a radius of over thirty miles to come to Martinez for shopping, work, and leisure.

The proposed following economic drivers and concepts, which we will recommend and briefly explore, have the potential to facilitate the growth of Downtown Martinez:

Marina Development: Accelerate the commercial development of the marina in conjunction with the ongoing repairs. Introduce marina service providers, a fish market, meeting facilities, and dining establishments. Construct a vehicular/pedestrian overpass to enhance connectivity to Downtown. The marina holds the potential to catalyze the revival of Downtown Martinez.

Transit Hub Enhancement: Improve the Transit Hub around the Amtrak Train station, bus station, and explore the possibility of a small boat ferry or water taxi service to neighboring cities. Leverage the high number of transfers at the station to draw visitors Downtown. Investigate the creation of express bus routes to various county destinations and establish a wine train route to the North Bay, connecting to wine tasting shops downtown.

Increase Residential Density per Zone: Add 1,000 to 2,000 new residents through vertical mixed-use developments within and near Downtown Martinez and transit hub to create a more vibrant pedestrian environment. This will enhance local area demographics, resulting in higher pedestrian traffic attracting new retailers in new buildings and in the existing vacant ground floors.

Increase Residential Density per Building: Raise the Floor Area Ratio (FAR) densities and building heights on select parcels to 40 and 60 units per acre near the transit hub, promoting greater residential density and a more walkable city without compromising its village character.

Harmonize with Emerging Technologies: The Marathon Refinery in Martinez and the Phillips Refinery in Rodeo are converting to refining plant based fuels. Creating an industrial supply and advanced manufacturing ecosystem around these emerging technologies should be investigated.

Sporting and Entertainment Events: Develop regional sporting and entertainment events to attract visitors from the Greater East Bay, San Francisco, and Sacramento. This could include expanding opportunities for amateur and minor league baseball, bocce tournaments, music festivals, rodeos, immersion events, Cirque De Soleil, and more.

Campbell Theater Revamp: Reevaluate the Campbell Theater's calendar and encourage the hosting of upgraded events, including theater performances, music, and films, aiming to draw visitors from nearby areas like Pleasant Hill, Concord, Walnut Creek, Hercules, and beyond. Consider corporate retreat events to generate demand for a boutique hotel.

Streamline Approval Processes: Continue to identify opportunities to simplify the development review and building approval processes, including flexible zoning overlays and diversified commercial use allowances, providing the City with a competitive edge in attracting new tenants. This becomes an edge or advantage over other competing locations out of the area as retailers have annual new store targets as do employers when making real estate decisions.

Collaboration with Industry: Develop a cooperative economic agreement with County Government and neighboring oil refining industries to involve them in the revitalization effort. Identify opportunities to upzone light industrial areas to attract emerging markets and to involve them in the revitalization effort.

Economic Development Collaboration: Engage in collaborative economic development strategies with neighboring cities along the waterfront and Contra Costa County's Northern

Waterfront initiative to attract advanced food manufacturers, leveraging the presence of passing ocean-going ships. Enhance existing efforts to work with and assist the Martinez Chamber of Commerce and Downtown Martinez and Co. in their regional events.

Hospitality Business Enhancement: Focus on strategies to enhance the hospitality sector near the marina and Highway 4 interchanges. Investigating the feasibility of establishing a Hotel Convention Bureau jointly administered by the City and the local chamber similar to what Walnut Creek and Concord have done. This bureau can tap into corporate meetings and attendees from nearby refineries and other major employers.

Breweries: Build on the existing Martinez brand for excellent local breweries, creating a market niche.

Medical Zone Expansion: Expand the medical zone around the Contra Costa County Medical Center to accommodate third-party medical buildings (MOBs) and create a medical center cluster, including surgery centers, attracting high-paying jobs.

PBID for Downtown: Research the feasibility of establishing a Property-Based Improvement District (PBID) for downtown to fund cityscape improvements and staff support for the City, Chamber, and Downtown Martinez & Co. This can be used to administer regional events and marketing programs.

High-Speed Fiber Optics: Investigate the possibility of bringing high-speed fiber optics to Downtown and other commercial and industrial areas in Martinez.

Collaborate with Major Developments: Develop economic strategies to collaborate with Buchanan Airport and Concord Naval station development, creating sites and zoning for supply chain ecosystems.

Utilize County Property: Strategize with the County as it consolidates its Highway 4 properties into new buildings, potentially freeing up land for development, innovation technology zones, and commercial retail centers.

Explore Funding Sources: Investigate various funding sources, including CERF, GoBiz, State of California, Federal Government, Contra Costa County, and other grants, to support staffing, economic development, and workforce education.

Establish Baseline Metrics: Create baseline metrics to measure growth and progress.

Corporate Yard Relocation: Relocate the corporate yard to Pacheco Boulevard or other industrial areas to free up higher-density mixed-use residential sites. Upzone industrial land south of the marina and railroad for mixed-use residential development.

Industrial Upzoning: Increase commercial industrial densities in feasible areas within the City limits.

Unified Branding/Marketing Campaign: Develop unified branding for the community at large and create collaborative branding for Downtown and all of Martinez's existing and future economic assets.

These proactive measures have the potential to transform Martinez into a thriving, diverse, and economically prosperous hub that attracts visitors, shoppers, and employers from a broad radius.

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