

# CITY OF CAMPBELL

Economic Development Plan | January 2024



Prepared by:

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# ACKNOWLEDGMENTS

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# EXECUTIVE SUMMARY

The City of Campbell is taking a proactive approach to shape its economic future by responding to the after-effects of the pandemic which left commercial spaces vacant and ensuring that opportunities and challenges are addressed and aligned with the community's values and aspirations. The Campbell Economic Development Strategy Plan update is a comprehensive document that can help sustain a vibrant, resilient, and diversified economic future for the City characterized by a strong sense of identity and community – a place where tradition and innovation coexist. The plan lays a foundation for sustaining a dynamic business environment that enables the City to attract businesses, workforce talent, and visitors while preserving the City's cherished small-town character.

## Approach

There were three phases for developing the strategy plan. Phase I (where are we now?) conducted an existing economic and market conditions assessment, stakeholder engagement and outreach using focus groups, interviews and business and community surveys. The findings from Phase I led to Phase II (where do we want to be?) which determined a list of key assets, challenges and opportunities based on existing conditions. During Phase II, the City Council provided input on existing conditions, assets, challenges, and opportunities and the economic development plan framework.

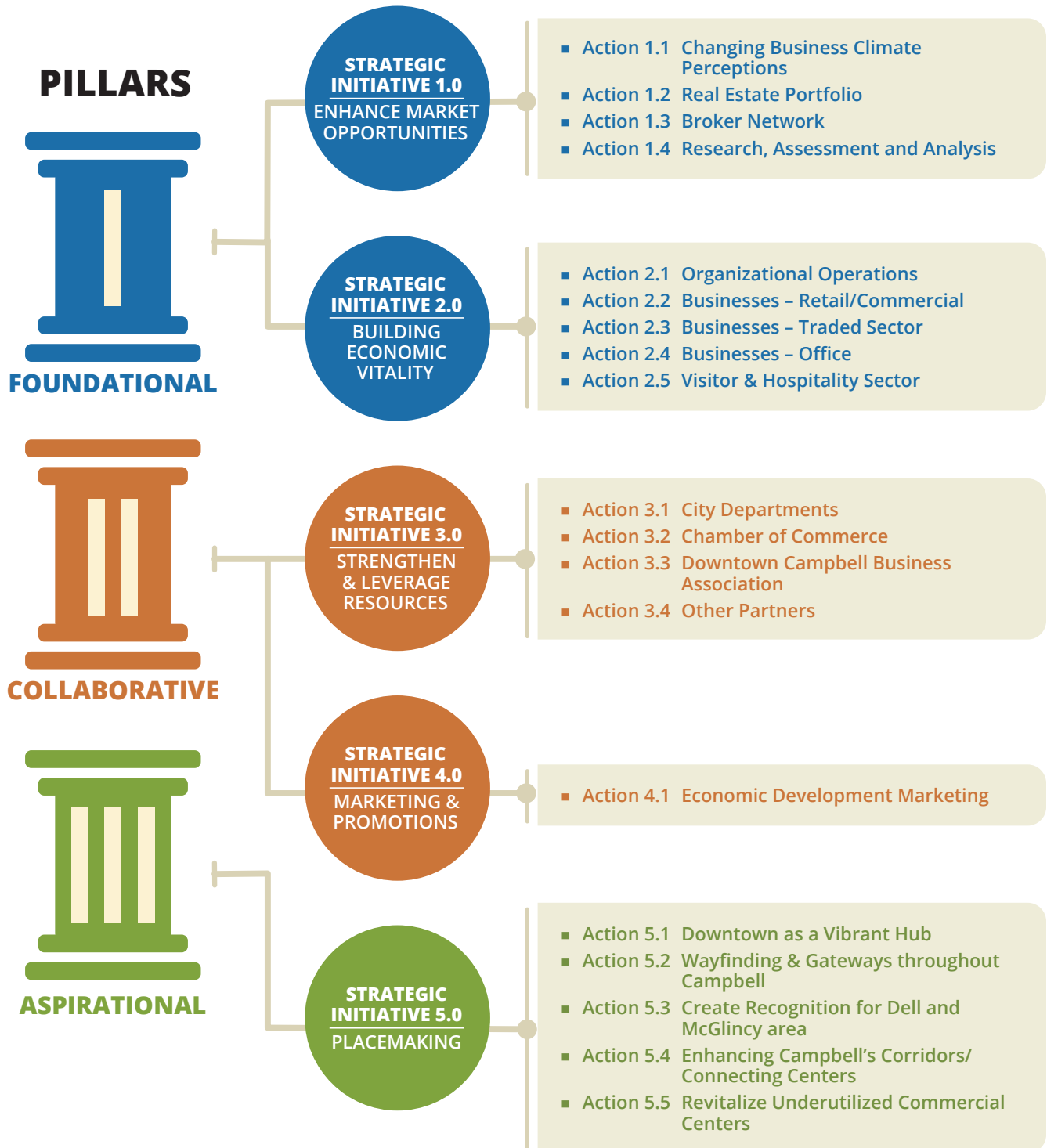
Finally, in Phase III (how will we get there?), the economic development strategy plan was created. There are three key elements of the plan or Pillars described in **Section I**.

- I. Foundational** – build a strong economic development foundation.
- II. Collaborative** – opportunities to collaborate with other departments and partner organizations to broaden economic development activities beyond the strong foundation, position Campbell as a unique destination within Silicon Valley for small business and emerging business startups, and continue those events and activities that create Campbell's small-town image and charm.
- III. Aspirational** – emphasize the importance of placemaking in maintaining and strengthening Campbell's small-town identity and brand.

Each Pillar has Strategic Initiatives (5) which provide a targeted approach to realizing the vision of a vibrant, sustainable, and economically prosperous City.

**Section II** of the plan is a Tactical Roadmap for implementation. It is very detailed, outlining the actions and tasks that need to be taken for each Strategic Initiative. The intent is to provide a plan that ensures consistency and relevance over time and that can accommodate changes in the City Council, staff, resources and economic shifts that occur.

## PILLARS, STRATEGIC INITIATIVES, AND TACTICAL ACTIONS





# Key Opportunities for Campbell's Economic Growth

Based on the community and economic assessment, stakeholder and Council input and Campbell's strategic position within the Silicon Valley there are unique opportunities for filling vacant spaces and driving economic growth and diversification over the next few years that include:

## **1. Build Broker Relations & Fill Vacant Spaces with Diverse Businesses**

Establish strong working relationships with the brokers representing vacant spaces to work together to attract a mix of retail and commercial businesses to enhance diversity of businesses choices, attracting a broader customer base. Once this relationship is built, it will be ongoing to continually fill spaces as they become vacant and available.

*See Section II, Strategic Initiative 1.0, Action 1.3 Broker Network.*

## **2. Create New Synergy in Dell and McGlinchey Area to Attract Traded Sector and Emerging Businesses**

Encourages innovation, diversification, investments, and positions Campbell as a vibrant start up hub. Provides opportunity to recognize Dell and McGlinchey area as a unique district and destination for emerging small and startup business as well as identify amenity needs in the Dell and McGlinchey area to continue to grow and evolve.

*See Section II, Strategic Initiative 2.0, Action 2.3 Businesses-Traded Sector.*

## **3. Implement Placemaking Initiatives Starting with Downtown**

Placemaking can be a powerful approach to branding and maintaining the small-town character and charm of a community. It involves strategies that enhance local identity, encourage community engagement, and strengthen the sense of place. Downtown is a priority Campbell has noted in the 2040 General Plan. The Placemaking Initiative could begin with Downtown. The Urban Land Institute (ULI) offers a Technical Assistance Project (TAP) program wherein a diverse team of planners, architects and economic experts visit and assess a specific area of a community, engage stakeholders and provide detailed reports on methods to enhance keeping an area relevant and vibrant. This type of service<sup>1</sup> has been invaluable for many Silicon Valley communities. ULI is a prime resource for the next step in evaluating and envisioning Downtown's future, identifying constraints for future businesses locating in downtown and methods to connect Downtown to the trail network and Pruneyard. Initiating this type of proactive

<sup>1</sup> Urban Land Institute, San Francisco Chapter, [www.sf.uli.org](http://www.sf.uli.org), has prepared multiple TAPs in the Bay Area. Cost is relatively low \$35,000 - \$45,000. The City would need to apply for and be selected by ULI for the TAP. TAPs are in high demand.

engagement could launch the Placemaking Initiative which could be continued to enhance the sense of place and Campbell's small-town image with other underutilized economic centers, creating inviting venues and functionality that embrace Campbell's heritage, arts, and culture (this is embodied in Campbell's General Plan and other planning documents) differentiating Campbell from other cities in the Silicon Valley.

*See Section II, Strategic Initiative 5.0, Action 5.1 Downtown a Vibrant Hub.*

#### **4. Support Small Business & Startups**

Sets in place a dynamic business environment that can adapt to changing economic conditions and provides small businesses and startups access to technical assistance and funding, a key action to support attracting emerging industries.

*See Section II, Strategic Initiative 3.0, Action 3.2 Chamber of Commerce.*

#### **5. Tap into Visitor Market**

Leverage the bay to mountain trail network riparian corridors, proximity to Levi Stadium and other major venues in the surrounding area and nearby universities, capitalize on existing assets and leverage partner resources.

*See Section II, Strategic Initiative 2.0 & 3.0, Action 2.5 Visitor & Hospitality Sector and Action 3.2 Chamber of Commerce.*

By proactively addressing these key economic growth opportunities, the City of Campbell, even though a small community, is uniquely positioned in Silicon Valley to attract and retain both emerging and established businesses and the top talent they need to be successful. Implementation of the action plan will enable the City to address commercial and industrial space and sustain the tax base needed to support a high quality of life for residents.

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# INTRODUCTION

Creating a vibrant, resilient, and diversified economic future, characterized by a strong sense of identity and community — a place where tradition and innovation coexist, and a dynamic environment attracts businesses, talent, and visitors, all while preserving the City’s cherished small-town charm.

## Purpose of an Economic Development Strategy

An economic development strategy is an intentional process for engaging stakeholders and creating a roadmap of strategic initiatives aimed at enhancing economic diversification, vitality, and sustainability. Strategic plans are multifaceted to address and achieve objectives that create economic activity and impact including:

- **Economic Diversification** – stabilize the local economy, generate steady growth and employment opportunities.
- **Attracting Investment** – enhance the economic base with diverse businesses creating economic impact.
- **Strengthen Tax Base** – increase city revenues through economic activity.
- **Support Local Businesses** – contributors to the local economy and community identity, assisting through disruptions.
- **Innovation & Technology** – attracting, supporting, and assisting innovative business and creating a hub.
- **Enhancing Competitiveness** – being more attractive to businesses, investors, and talent.
- **Fostering Community Identity** – maintain and enhance those assets valued by community and visitors.
- **Enhancing Quality of Life** – access to amenities, services, and recreational opportunities.

The City of Campbell is taking a proactive approach to shape its economic future, addressing the after-effects of the pandemic that left commercial spaces vacant, and ensuring that opportunities are managed effectively, challenges are addressed and aligned with the community’s values and aspirations.

## Key Opportunities for Campbell's Economic Growth

Based on the community and economic assessment, stakeholder and Council input and Campbell's strategic position within the Silicon Valley, there are unique opportunities that become recommendations for filling vacant spaces and driving economic growth and diversification over the next few years. These include:

### **1. Build Broker Relations and Fill Vacant Spaces with Diverse Businesses**

Establish strong working relationships with the brokers representing vacant spaces to work together to attract a mix of retail and commercial businesses to enhance diversity of businesses choices, attracting a broader customer base. Once this relationship is built, it will be ongoing to continually fill spaces as they become vacant and available.

*See Section II, Strategic Initiative 1.0, Action 1.3 Broker Network.*

### **2. Create New Synergy in Dell and McGlincy Area to Attract Traded Sector and Emerging Businesses**

Encourage innovation, diversification, investments, and position Campbell as a vibrant startup hub. Provide an opportunity to recognize the Dell and McGlincy area as a unique district and destination for emerging small and startup business as well as identify amenity needs in the Dell and McGlincy area to continue to grow and evolve.

*See Section II, Strategic Initiative 2.0, Action 2.3 Businesses-Traded Sector.*

### **3. Implement Placemaking Initiatives Starting with Downtown**

Placemaking can be a powerful approach to branding and maintaining the small-town character and charm of a community. It involves strategies that enhance local identity, encourage community engagement, and strengthen the sense of place. Downtown is a priority Campbell has noted in the 2040 General Plan. The Placemaking Initiative could begin with Downtown. The Urban Land Institute (ULI) offers a Technical Assistance Project (TAP) program wherein a diverse team of planners, architects and economic experts visit and assess a specific area of a community, engage stakeholders and provide detailed reports on methods to keep an area relevant and vibrant. This type of service<sup>2</sup> has been invaluable for many Silicon Valley communities. ULI is a prime resource for the next step in evaluating and envisioning Downtown's future, identifying constraints for future businesses locating in Downtown and methods to connect Downtown to the trail network and Pruneyard. Initiating this type of proactive engagement could launch the Placemaking Initiative which could be continued to

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enhance the sense of place and Campbell's small-town image with other underutilized economic centers, creating inviting venues and functionality that embrace Campbell's heritage, arts, and culture (this is embodied in Campbell's General Plan and other planning documents) differentiating Campbell from other cities in the Silicon Valley.

*See Section II, Strategic Initiative 5.0, Action 5.1 Downtown a Vibrant Hub.*

#### **4. Support Small Business & Startups**

This sets in place a dynamic business environment that can adapt to changing economic conditions and provides small businesses and startups access to technical assistance and funding, a key action to support attracting emerging industries.

*See Section II, Strategic Initiative 3.0, Action 3.2 Chamber of Commerce.*

#### **5. Tap into Visitor Market**

Leverage the bay to mountain trail network riparian corridors, proximity to nearby universities, Levi Stadium, and other major venues (e.g., PayPal Park hosts Earthquakes soccer and SAP Center hosts San Jose Sharks hockey). Those regional venues are greater audience draws. The cities of Santa Clara and San Jose have large convention centers for major conferences/meetings and events. Capitalize on existing assets and leverage partner resources.

*See Section II, Strategic Initiative 2.0 & 3.0, Action 2.5 Visitor & Hospitality Sector and Action 3.2 Chamber of Commerce.*

By proactively addressing these key economic growth opportunities, the City of Campbell, even though a small community, is uniquely positioned in Silicon Valley to attract and retain both emerging and established businesses and the top talent they need to be successful. Implementation of the action plan will enable the City to address commercial and industrial space and sustain the tax base needed to support a high quality of life for residents.

## **Campbell's Economic Development Plan**

The Economic Development Plan is meant to help focus economic development efforts to be more strategic and effective in responding to both opportunities and challenges. The plan highlights the need for organizational capacity, preparedness, and resources for implementation. Strategic initiatives recommendations are organized around three pillars — *Foundational, Collaborative and Aspirational*.

**Pillars:** In the economic development plan, "Pillars" refer to the fundamental areas around which the strategy is built and organized. These Pillars represent the core principles and key focus areas that guide the planning, decision-making, and implementation

efforts within the strategic plan. They are designed to provide a structured approach to achieving the plan's objectives, ensuring a comprehensive and cohesive effort across different initiatives and stakeholders.

**Strategic Initiatives:** In the economic development plan, "Strategies" refer to targeted, actionable efforts designed to achieve economic objectives that align with the broader goals of the City's 2040 General Plan, Economic Element, City Council, and stakeholder input to enhancing economic health and sustainability. These strategic initiatives serve as the building blocks of a comprehensive strategy for 1) a proactive approach to overcoming challenges and seizing opportunities, and 2) driving outcomes: *economic growth, diversification, and resilience*.

## Economic Development Plan Framework

### I. Foundational Pillar

The Foundational Pillar represents the basic elements of an economic development program structure, supporting the core functions of business retention, expansion, and attraction. The Foundational Pillar also includes business climate, maintaining a real estate portfolio to understand vacancies in economic centers, outreach to audiences that influence business decisions, such as real estate brokers, and communications with existing businesses in commercial, office and industrial sectors. The Foundational Pillar focuses on "filling vacancies," particularly in the retail sector, which was a priority in creating the Economic Development Plan. The Foundational Pillar is the base upon which additional economic development efforts are built, ensuring that the economy has the necessary underpinnings for growth and competitiveness.

Within the Foundational Pillar are two Strategic Initiatives:

1. **Strategic Initiative 1.0 Enhancing Market Opportunities** includes permit streamlining, communications for changing perceptions, managing a real estate vacancy portfolio, establishing a real estate broker network, and continuous market and business research.
2. **Strategic Initiative 2.0 Building Economic Vitality** focuses on the organizational operations of the economic development office, actions to fill retail, office, and industrial spaces. It envisions recognition of Dell and McGlinchey as a district for attracting emerging businesses and startups and steps to prepare a Visitor Sector strategy.

## II. Collaborative Pillar

The Collaborative Pillar emphasizes the importance of partnerships and alliances across various sectors, including public, private, institutions and nonprofit organizations. This approach recognizes that effective economic development requires a cooperative effort, leveraging resources, knowledge, and networks from diverse stakeholders to drive innovation, entrepreneurship, and investment in the community.

Within the Collaborative Pillar are two Strategic Initiatives:

1. ***Strategic Initiative 3.0 Strengthen & Leverage Resources*** includes potential actions with key entities that would enhance and diversify economic development efforts, strengthen public-private partnerships, and encourage broader community engagement, as well as expand the potential for accessing various funding sources, including grants, private investments, and joint funding arrangements. Specific actions include supporting small businesses and startups with accessing resources and championing a Visitor Strategy.
2. ***Strategic Initiative 4.0 Marketing & Promotions*** includes additional economic development marketing beyond the foundational direct business and business influencer marketing and outreach outlined in Foundational initiatives, actions, and tasks (those are a priority for economic development). Marketing tactics included here in Action 4.0 require assistance and support from other departments and units within the City working with the Economic Development Manager to implement, including a website upgrade, enhanced communications using newsletters, and initiating social media and promotions on local businesses.

## III. Aspirational Pillar

The Aspirational Pillar focuses on the long-term objectives of the City, particularly in maintaining the unique small-town image and sense of place, while encouraging business innovation, sustainability, inclusivity, and quality of life improvements. The Aspirational Pillar is focused on placemaking, which involves Community Development and Planning, with support from Economic Development. Placemaking is embedded in the City's 2040 General Plan and other existing planning documents. It is emphasized here to inspire ambitious projects and initiatives aimed at transforming the economic landscape, which will help in attracting high-value industries, fostering a culture of creativity and continuing to create that sense of place and unique community identity.

Within the Aspirational Pillar is one Strategic Initiative:

1. **Strategic Initiative 5.0 Placemaking** frames placemaking as an initiative that is both visionary and pragmatic in maintaining Campbell's small-town identity and creating long-term economic sustainability and growth.

The City can maintain and enhance its small-town image and feel, fostering the sense of place and belonging among residents, by implementing "placemaking" initiatives that reflect the community's identity. This contributes to a more vibrant and cohesive environment that reinforces the unique character that residents value. This includes ensuring revitalization of Downtown, connecting economic centers, evaluating feasibility of Property Based Improvement Districts (PBID), wayfinding and gateways, Dell and McGlincy as a distinct district and future mixed-use destinations in underutilized centers, and opportunities for creating third places.

Each of these pillars serves as a critical component of the strategic plan, providing a clear framework for action and ensuring that efforts are aligned with the overarching economic development objectives. Together, they create a balanced and robust strategy capable of addressing immediate needs while also paving the way for future prosperity.

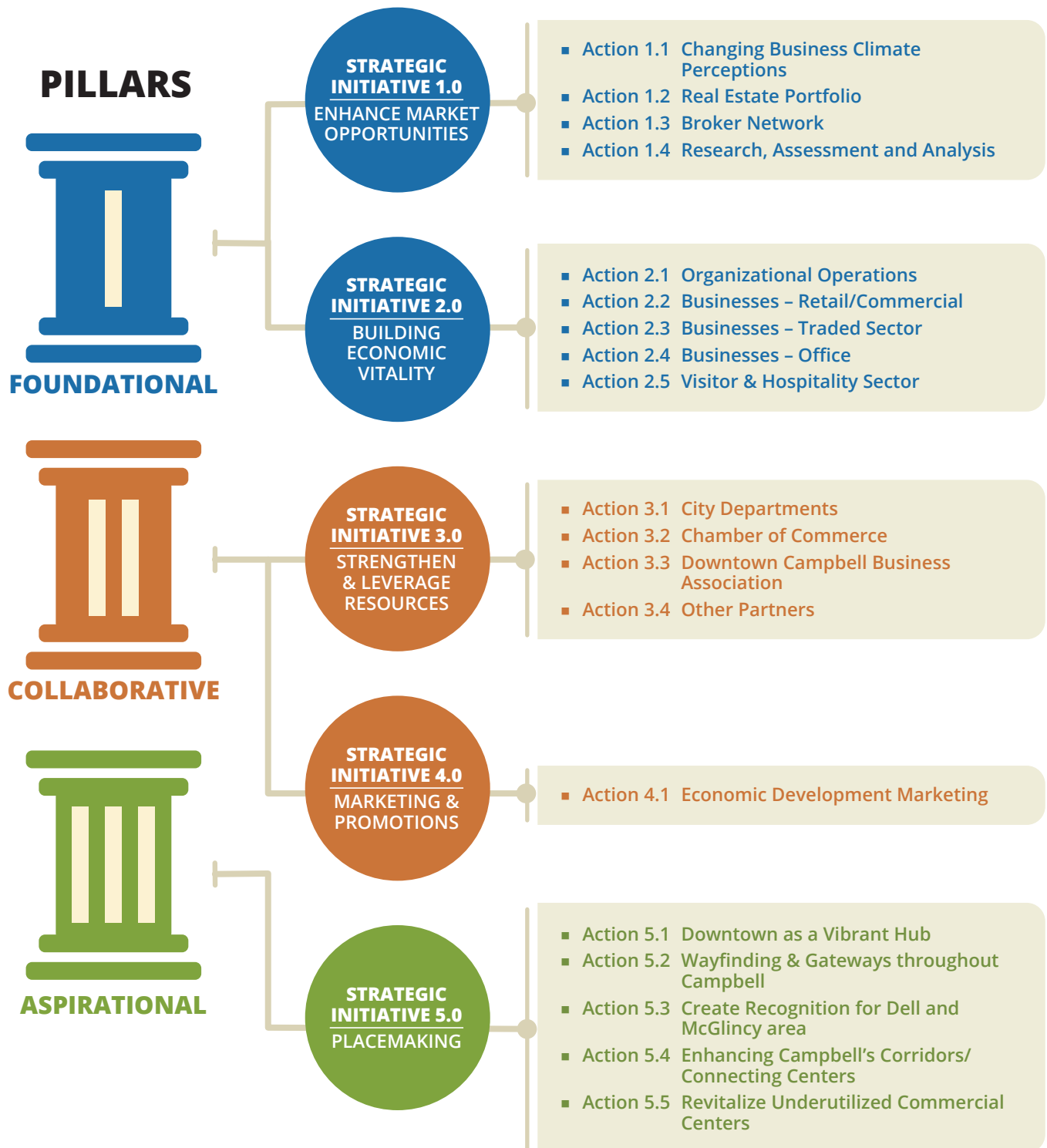
## Strategic Implementation and Tactical Action Plan

Section II of the Economic Development Plan, titled "*Strategic Implementation and Tactical Action Plan*," serves as the comprehensive roadmap for transforming the outlined economic development strategies into tangible outcomes. It meticulously details the actions to be pursued, identifies potential challenges and opportunities, and prescribes actionable tasks for effective implementation.

**Figure 1** overviews the framework of pillars, strategic initiatives, and the tactical actions of the economic development plan.



**FIGURE 1: PILLARS, STRATEGIC INITIATIVES, AND TACTICAL ACTIONS**

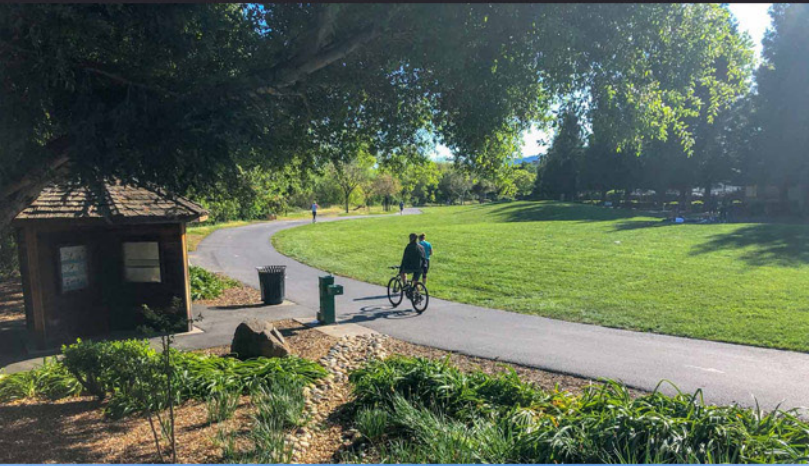


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# SECTION I

## Economic Development Planning Context





# SECTION I

Strategically updating the economic development plan, in alignment with the City's general plan and engaging stakeholders and the City Council, ensures that growth not only drives economic vitality but also preserves Campbell's small-town charm.

## PROJECT BACKGROUND

The City of Campbell experienced the disruption and subsequent consequences of the pandemic with many retail and commercial stores closing, leaving multiple vacant spaces throughout the City. The City issued a Request for Proposal to update the City's current 2017 Economic Development Plan with a focus on strategies to fill vacant spaces and to also provide a brand development strategy.

Along with the City's **Economic Development Subcommittee**, the City invited stakeholders to participate in an **Economic Development Advisory Committee** to provide input to the project. The project was conducted in three phases:

1. **Where are we now?** Existing conditions assessment and stakeholder engagement, including roundtable meetings, individual interviews, business/resident surveys and meetings with the City's Economic Development Subcommittee, Economic Development Advisory Committee and City Council.
2. **Where do we want to be?** Review of existing conditions and findings, stakeholder and business feedback, and input from the City Council on direction.
3. **How do we get there?** Preparation of the Economic Development Plan and the Strategic Implementation & Tactical Action Plan.

The project commenced on February 21, 2023, focused on the economic development plan update and filling vacant spaces. As the project progressed with stakeholders, the City Economic Development Subcommittee, Economic Development Advisory Committee and City Council input on broader initiatives and priorities were identified which have been incorporated in the plan.

The updated Economic Development Plan serves as a roadmap for the City, outlining a structured path toward achieving sustained economic growth, resilience, and prosperity. The updated Economic Development Plan has two main sections. Section I includes project background, approach, strategic plan structure and implementation recommendations



and Section II, the tactical actions and tasks, is a roadmap for implementing the plan. The process and plan update were guided by and aligned with the City's 2040 General Plan and Economic Development Element (*see Project Guiding Documents*).

The City should not view this plan as a static document but as a starting point to build a solid economic development foundation that is continually revised and amended as market conditions change and the foundation is built. This strategic plan is not merely a document but a guide that identifies where the community is currently, opportunities to position and maintain economic stability for the future, and specific actions and tasks required to get there (Section II). The plan will also prepare the City for new emerging businesses and economic opportunities that may arise.

## Project Guiding Documents

Three main documents guided the Economic Development Plan:

1. The new 2040 General Plan adopted April 2023
2. The 2040 Economic Development Element
3. The 2017 Economic Development Plan

### 2040 GENERAL PLAN - VISION AND OBJECTIVES

The City of Campbell's 2040 General Plan vision and objectives highlight several priority themes that are integral to shaping Campbell's future. The following themes interwoven across the General Plan's vision and objectives were identified as important guideposts for the economic development plan:

#### 1. Community Identity and Character

- *Maintaining Small-Town Feel:* Both the objectives and vision emphasize preserving Campbell's unique small-town identity while embracing growth and modernization.
- *Enhancing Community Character and Sense of Community:* Protecting and promoting the city's historical, cultural, and architectural heritage was a priority.

#### 2. Economic Development and Employment

- *High-Quality and High-Paying Jobs:* Leveraging Campbell's Silicon Valley location to attract businesses and industries that offer substantial employment opportunities to the local workforce.

- *Support for Small Businesses:* Strengthening the small business community to maintain a vibrant city and downtown core.

### **3. Public Services and Infrastructure**

- *Safety and Vibrancy:* Ensuring the community remains safe and vibrant through efficient public services and well-maintained infrastructure.
- *Fiscal Sustainability:* Maintaining fiscal health to continue providing high-quality services to residents and businesses.

### **4. Recreation, Education, and Wellness**

- *Recreational Amenities and Education:* Supporting a healthy community with excellent schools, recreational amenities, and a network of trails and paths.
- *Wellness and Quality of Life:* Fostering a community that supports the well-being of its residents, encouraging a balanced lifestyle.

### **5. Integration and Inclusivity**

- *Embracing Cultural Diversity:* Creating an inclusive community that celebrates diversity and offers opportunities for all residents.
- *Mixed-Use Development:* Encouraging mixed-use corridors that integrate commercial and residential areas, enhancing the vibrancy and livability of the community.

These themes collectively form a vision of Campbell as a community that values its heritage and character while proactively planning for sustainable growth and embracing opportunities for innovation and diversification.

## **2040 GENERAL PLAN ECONOMIC DEVELOPMENT ELEMENT AND 2017 ECONOMIC DEVELOPMENT PLAN**

The 2040 General Plan Economic Element, adopted April 2023, includes six goals and forty-three actions. The 2017 Economic Development Plan included eight objectives and twenty-two actions. The themes of the Economic Goals, Objectives and Actions outlined in the City of Campbell's Economic Development Element and the 2017 Economic Development Plan focused on fostering a robust and diverse economy that enhances the quality of life for its residents while maintaining and enhancing the City's unique character:

### **1. Sustain a Healthy and Balanced Economy**

- *Alignment and Coordination:* Ensuring economic development efforts are in harmony with land use policies and regional and state economic initiatives.

- *Community and Stakeholder Engagement:* Actively involving local businesses, organizations, and residents in economic development planning and decision-making.
- *Resource Allocation:* Committing resources and funding towards economic development initiatives, training, and best practices.
- *Community Identity:* Maintaining the small-town image and feel for Campbell to distinguish it within the larger region.
- *Partnerships:* Collaborating with local and regional partners to promote business growth and job creation.

## **2. Business Retention, Expansion, and Promotion**

- *Streamlining Processes:* Making development and permitting processes more predictable and business friendly.
- *Economic Tools and Incentives:* Offering technical assistance, incentives, and support for businesses to expand or locate in Campbell.
- *Local Economy Support:* Encouraging the purchase of local goods and services to retain spending within the community.
- *Zoning and Regulation Adjustments:* Revising regulations to facilitate job growth and meet the city's economic goals.

## **3. Business Diversification**

- *Economic Base Diversification:* Attracting a variety of businesses and industries to create a diversified economic base.
- *Efficient Use of Industrial Land:* Encouraging higher employment densities and discouraging low-intensity uses of large sites.
- *Retail Demand and Revitalization:* Addressing retail leakage and encouraging revitalization of shopping centers for optimal retail visibility and function.

## **4. Downtown**

- *Business Diversity and Support:* Attracting and supporting a mix of retail, commercial, and office businesses.
- *Infrastructure and Accessibility:* Upgrading infrastructure and improving access to make downtown more navigable and connected.
- *Collaboration and Partnerships:* Building partnerships between the City, businesses, and community groups to drive revitalization.
- *Regulatory Improvements:* Streamlining processes to facilitate business growth and development downtown.

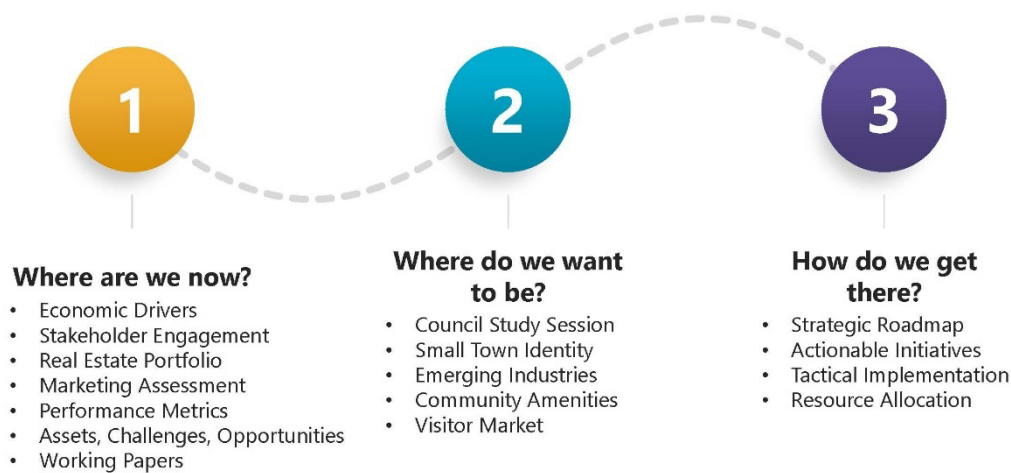
Across these themes are goals and objectives to create a supportive environment for businesses, streamlining processes for growth and development and engaging with the community and stakeholders.

These themes, along with the General Plan themes, City Council and stakeholder input, guided the process of preparing the updated Economic Development Plan. Included in the Appendix is the 2040 General Plan Economic Development Element Guide,<sup>3</sup> which lists the strategic initiatives and actions aligned with 2040 General Plan.

3 Appendix 2040 General Plan Economic Development Element Guide.

# STRATEGIC PLANNING APPROACH

A three-step process designed to guide strategic discussion and planning was used to engage stakeholders and the City Council in the process of developing the plan. Anchored in the fundamental questions of “Where are we now?” “Where do we want to be?” and “How will we get there?” this methodology offers a comprehensive framework for informed decision-making and strategic planning.



The strategic planning approach focused on identifying critical issues and opportunities while safeguarding Campbell’s cherished small-town feel and unique sense of place, as prioritized by the City Council and stakeholders.

## I – Where are we now?

The first task in Phase I is an in-depth multi-faceted assessment of the City’s existing conditions, identifying baseline data and assessing current situations and conditions to prepare an economic development plan that addresses the concerns of the City.

### 1. EXISTING CONDITIONS ASSESSMENTS & WORKING PAPERS

The process layers multiple assessments. Each assessment is a stand-alone assessment of a key economic development factor in the City of Campbell’s existing conditions. Each assessment builds the existing conditions analysis, identifying initial assets, challenges, and opportunities.

Each assessment is documented as a *Working Paper*. These separate reports which were reviewed with the City's Economic Development Subcommittee and Advisory Committee to set the baseline for the Economic Development Plan update.

Eight *Working Papers*<sup>4</sup> were prepared and an ESRI-GIS web tool created to record and visualize each economic center in the City of Campbell:

1. Economic Scan
2. Real Estate – Vacancies  
Real Estate Portfolio – [Economic Centers](#) and [Downtown Campbell](#)
3. Real Estate – Market Conditions
4. Sales Tax Review
5. Marketing – Social Media
6. Marketing – Website
7. Marketing – Perception, Supplemental Working Paper Surveys
8. Assets, Challenges & Opportunities

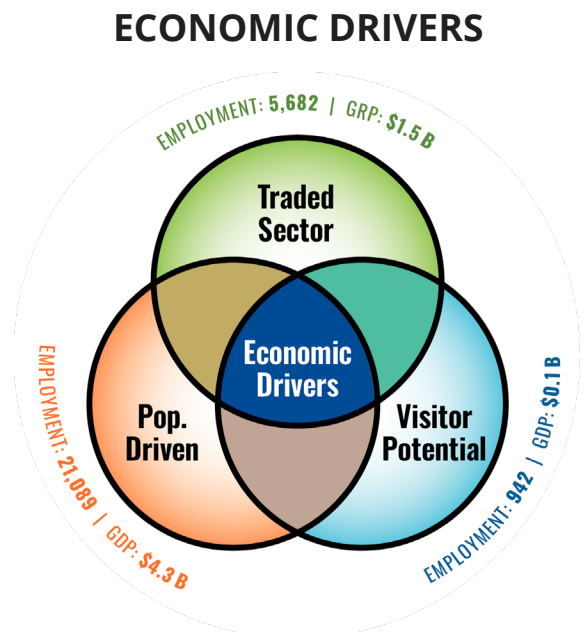
The existing conditions assessment starts with the City's *economic drivers* and the conditions that affect the economic prosperity environment.

- **City of Campbell Economic Drivers.** The analysis focuses on those businesses and industries that contribute to the City of Campbell's economy with jobs (employment) and the production of goods and services that create economic activity (gross regional product-GRP) identified in three intersecting and overlapping market sectors:

The **Traded Sector** (also referred to as goods producing) where goods and services are produced and sold outside the City and region. As of year-end 2022:

Employment: **5,682**

Gross Regional Product: **\$1.5 billion**



4 The eight Working Papers are included in Appendix.

**Population Driven** (also referred to as local serving) where economic activity is created primarily by local residents buying goods and services from local businesses, such as restaurants, grocery stores, retail stores, medical services including government. As of year-end 2022:

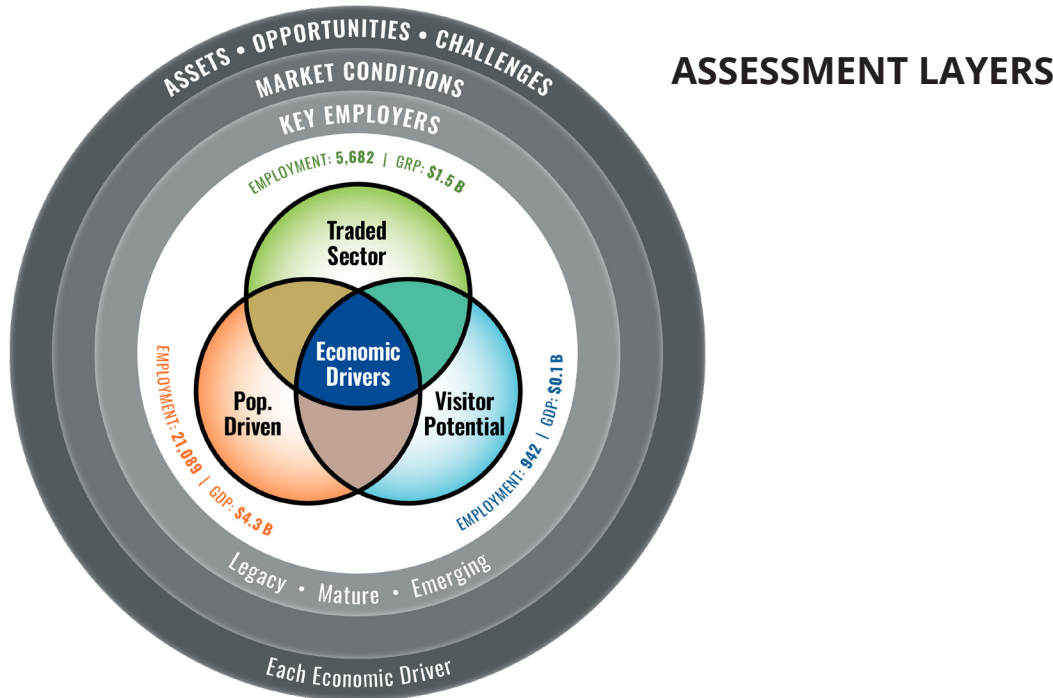
Employment: **21,089**  
Gross Regional Product: **\$4.3 billion**

**Visitor Potential** (also referred to as visitor serving) includes the economic activity that is estimated to be generated from “visitors” to Campbell.<sup>5</sup> As of year-end 2022:

Employment: **942**  
Gross Regional Product: **\$104.0 million**

With the economic driver data, the existing conditions assessments were prepared and presented in documents called *Working Papers*:<sup>6</sup>

- **Economic Scan.** Campbell’s economic landscape is characterized by the resilience of small businesses and a recovery in sales tax from the pandemic; however, current global, national, and regional trends could affect that recovery trend as well as future economic activity in the City.



5 Visitor Potential Employment & GRP Source: calculated by Dr. Robert Eyler from Dean Runyan travel-related jobs and GRP for Santa Clara County, a statewide recognized source.  
6 Appendix Phase I Existing Conditions Working Papers.

- **Vacancies and Market Highlights.** Working with the City's sales tax auditing firm, key areas of the City were mapped into Economic Centers to determine which centers were contributing significant sales tax revenue and which could be under-performing. The Real Estate Portfolio (web tool)<sup>7</sup> mapped the economic centers, including vacancies in each center.<sup>8</sup>

Vacancy rates in Campbell were not out of the norm for the region at the time of the economic scan (July 2023) with office space having the largest vacancy, which is a national trend. Even with vacancies, availability of commercial real estate in Campbell is limited, leading to heightened competition for desirable properties (except office) in a City that is "built out."

**Note:** Vacancy rates will change, often quickly, depending on the current national and regional economic environment.<sup>9</sup>

**Retail/Commercial.** The market's draw extends beyond City borders, attracting businesses and consumers from surrounding communities. Because Campbell serves a broader consumer base than just Campbell, a retail ("unmet demand") analysis for Campbell shows an oversupply in almost all categories (a good thing) and the unmet local demand is limited to only a few categories which are provided for by stores nearby but not located in Campbell. The *Unmet/Over Supplied Demand*<sup>10</sup> chart and details are included in *Section II, Strategic Initiative 2.0 Enhancing Economic Vitality, Action 2.2.5* which highlights those retail/service categories that have:

1. **Unmet Demand** – analysis of consumer spending, consumer needs and preferences that the demand by residents is not being fully met by existing businesses. These unmet demands are likely filled by stores and businesses in proximity or online shopping

## ECONOMIC CENTERS MAPPED

Dell & McGlincy  
Pruneyard  
Downtown  
Hamilton Plaza  
Hamilton Corridor  
Campbell Shopping Center  
Kirkwood Plaza  
San Tomas Plaza  
Campbell Plaza  
Hamilton Square

7 Campbell Real Estate Portfolio <https://storymaps.arcgis.com/stories/64e23545ee454f0c823a0a59718b49a0>.

8 Campbell Real Estate Portfolio web tool vacancies inputted were as of Nov 2023. The web tool will be provided to the City for website and use by Economic Development, Community Development and Planning. Updating should be scheduled quarterly.

9 January 2024 for current interest rates and national economy has shifted the economy which has resulted in mergers, consolidations and a "pull-back" in investment and expenditures for space, causing an increase in vacancy in retail and industrial, and the continued high vacancy in office.

10 Source: [Placer.ai](#) Retail Analysis.



sources. There are four *unmet demand* categories: groceries and other foods, meals and nonalcoholic drinks, alcoholic drinks at establishments, lumber, and other building materials.

2. **Over-Supply Demand** – a surplus of certain products, services and offerings in a local area exceeding the demand from local consumers, indicating that consumers from other communities are shopping and purchasing in these local stores.

**Industrial.** The areas zoned for manufacturing and production (light industrial, research and development (R&D), flex) are mostly located in the Dell and McGlincy area. These areas are economic centers that are significant contributors to the City's sales tax. The vacancy rate for industrial was 7.8% and Flex 3.0% (July 2023). A real estate broker for properties in the Dell and McGlincy area shared the low vacancy rate was because spaces that become available are usually leased immediately.

*Note:* As with retail, the national and regional economy can affect the demand for space for goods-producing businesses and affect economic activity and space needs of businesses.<sup>11</sup>

- **Sales Tax Review.** The City's sales tax landscape is characterized by a strong reliance on retail and the county pool (sales tax shared with other cities), which showed notable growth in business and industry contributions since the pandemic and a significant revenue contribution from the Top 25 Sales Tax Producers (businesses).
- **Social Media & Website.** The assessment of the City's digital presence revealed mixed opinions. While users commented on the challenges of navigating the website, expressing difficulties, a contrasting sentiment/opinion emerged consistently praising the small-town feel and unique sense of place that defines the City. The City's social media platforms are effective in their messaging, particularly around safe community, which was consistently noted.

## 2. STAKEHOLDER ENGAGEMENT

Outreach and engagement involved active participation from diverse stakeholders, including businesses, real estate brokers, developers, and partners (such as the Chamber of Commerce and Downtown Campbell Business Association), City departments and external businesses and organizations, all contributing insights in interviews, group meetings, and roundtable meetings.

<sup>11</sup> February 2024, unconfirmed data but real estate brokers representing the Dell and McGlincy area estimated the vacancy current at 13-14% due to tenant consolidations – moving Campbell facilities to other locations where the business may have surplus space and business cut-backs which are occurring nationally, such as Google which have a ripple effect to supplier businesses. Construction, which is a strong sector in Campbell, is also experiencing cutbacks.

In addition to meetings and interviews, an online survey was conducted with Campbell residents and businesses, which was promoted by the City and the Chamber. Below is an overview of themes of each audience:<sup>12</sup>

**Campbell Residents:** Overall, the survey reflected that residents value Campbell's small-town charm, community feel, and quality of life amenities while expressing concerns about affordability, safety, and the need for enhanced cultural and recreational opportunities. Themes included:

**1. *Reasons for Choosing to Live in Campbell***

- *Community and Lifestyle:* Small-town feel, community-oriented atmosphere, and family connections are cherished.
- *Practical Considerations:* Affordable housing, proximity to work, and good schools are key factors.
- *Safety and Location:* Safety and a convenient location, including attractions like Downtown and Pruneyard, are significant.

**2. *Positive Aspects of Living in Campbell***

- *Community and Environment:* The small-town feel, great neighborhoods, and community atmosphere are highly valued.
- *Amenities and Services:* Parks, trails, responsive City services, and the downtown area contribute to the quality of life.
- *Diversity and Climate:* Cultural and racial diversity, along with favorable weather, enhances the living experience.

**3. *Aspects Lacking in Campbell***

- *Cultural and Recreational Facilities:* There is a desire for more shopping options, music/performance venues, and community events.
- *Services and Housing:* Needs include more childcare services, affordable housing options, and activities for youth.
- *Infrastructure and Governance:* Improved pedestrian access to trails, and enhanced public transportation are requested.

**4. *Negative/Concerning Aspects of Living in Campbell***

- *Economic and Social Issues:* Rising cost of living, homelessness, and limited affordable housing are pressing concerns.

<sup>12</sup> Survey and business input is included in Working Paper Marketing Perceptions.

- *Safety and Maintenance:* Crime rates, road conditions, and property maintenance need more attention.
- *Community and Infrastructure:* Concerns about overdevelopment, the impact of transients, and the desire for more diverse dining options were noted.

**Campbell Businesses:** In summary, while there is a positive outlook on growth and appreciation for the supportive community and strategic location, businesses also express a need for clearer guidance and support from the City, especially in navigating regulatory landscapes and accessing resources for growth and development. Response themes included:

### **1. Growth Expectations**

- *Optimism and Uncertainty:* A majority (61%) of businesses anticipate growth, while 39% face uncertain growth prospects or do not expect growth, highlighting a mix of optimism and caution within the business community.

### **2. City Engagement and Communication**

- *Preferred Communication Channels:* Businesses prefer to connect with the City through the website (38.6%) and direct communication methods like email, contacting planning or the city manager, and visiting city offices (42.9%), indicating the need for accessible and varied channels of communication.

### **3. Services Businesses Would Like from the City**

- *Assistance with Permits and Regulatory Issues:* The most requested service (36.2%) involves help navigating permits and regulations, a common challenge for businesses.
- *Support for Startups and Entrepreneurs:* Technical services for startups (21.7%) are also in demand, reflecting the entrepreneurial spirit and the need for support in early business stages.

### **4. Business Assistance**

- *Sources of Assistance:* Personal contacts are the primary source of business assistance (44.3%), showing the importance of networks. However, a significant proportion (26.1%) are uncertain about where to seek help, pointing to a need for better information and resources.
- *Utilization of Business Associations:* Many businesses are not members of the Chamber of Commerce or the Downtown Campbell Business Association (58%), suggesting potential untapped resources for business support and community engagement.

## 5. **Factors for Doing Business in Campbell**

- *Key Factors for Business Operations:* Strategic location (44.5%), customer base (26.3%), and safety (13.7%) are crucial factors that businesses consider for continuing operations in Campbell.
- *Additional Positive Aspects:* Comments highlighted the small-town culture, supportive City staff, reasonable commercial rents, and the diversity of businesses as positive aspects of doing business in Campbell.

## 6. **General Observations**

- *Community and Support:* The survey responses underscore a community that values its strategic location, supportive environment, and safety. The feedback also suggests areas for improvement, particularly in providing more targeted assistance to businesses, enhancing communication channels, and addressing concerns about growth and regulatory challenges.

**Real Estate Brokers, Developers & Influencers:** The response collectively suggests a need for improvement in how the City of Campbell engages with brokers and developers, including streamlining the planning and permitting process, enhancing communication and inter-departmental coordination, and adopting modern technologies for regulatory process management. Themes included:

### 1. **Planning and Regulatory Challenges**

- *Planning Department:* Brokers and developers face hurdles in getting projects approved, pointing to inefficiencies or complexities within the planning process.
- *Permitting Process:* There is a perception that nearly every use case requires an Administrative Use Permit (AUP) or Conditional Use Permit (CUP), which complicates and delays a project's timeline (note: for the most part this has been remedied but is still a **perception**).

### 2. **Communication and Connectivity Issues**

- *Inter-departmental Communication:* This audience felt there was a lack of communication connectivity between City departments which leads to inefficiencies in handling projects, suggesting a need for better internal coordination.
- *Poor Communication with Stakeholders:* Communication between the city and developers/brokers is perceived as inadequate, contributing to a sense of frustration and misunderstanding.

### 3. **Business Environment Perception**

- *Perceived Unfriendliness:* The sentiment that Campbell is not friendly towards business, particularly when projects do not fit neatly into existing planning frameworks, discourages engagement and investment. A common opinion expressed by brokers, property managers and owners is *the planning department's response is always "no."*
- *Change in Attitude:* Notably, there is a recognition that the City was not always perceived as unfriendly, suggesting a deterioration in the business climate or in stakeholder relations over time.

### 4. **Operational and Strategic Suggestions**

- *Need for an Ombudsman:* The suggestion to introduce an ombudsman role to facilitate projects during the application review process indicates a desire for a more streamlined and supportive approach from the City.
- *Digital Transformation:* There is a call to replace outdated planning processes with digital methods for submitting and reviewing plans, aiming to increase efficiency and reduce delays.
- *Staffing and Capacity:* Concerns about the City being understaffed, with existing staff appreciated for their efforts, highlights the need for increased capacity to handle the workload and improve service delivery.

### 5. **Specific Observations**

- *Industrial Property Success:* A positive note is that industrial properties are usually occupied, and the City has been cooperative in this sector, suggesting that the issues may be more acute in other areas of development.
- *Landlord Issues:* Some landlords reportedly use the City's regulations as an excuse to deny funding of improvements, indicating a possible misunderstanding or misuse of City policies in landlord-tenant negotiations.

**External Businesses and Organizations:** Responses collectively paint Campbell as a desirable place for both living and business, with its safe, family-friendly environment, strategic location near Silicon Valley and San Jose, and good infrastructure. The City's positive reputation within the region, along with specific assets like the Pruneyard, contribute to its attractiveness to businesses and the broader community.

### 1. **Community and Safety**

- *Rich History and Safety:* Campbell is perceived as a City with a rich history and is considered very safe, making it an attractive place for families and businesses.
- *Family-Friendly Community:* The City is recognized as a great community for families, suggesting a high quality of life and supportive environment for raising children.

## **2. Strategic Location**

- *Proximity to Silicon Valley:* Its excellent proximity to Silicon Valley is a significant advantage, making it an attractive location for businesses looking to tap into the innovation and economic dynamism of the region.
- *Workforce and Shopping:* Campbell's location allows businesses to easily pull from the surrounding area's workforce and benefits from the local population shopping within the city, enhancing the local economy.

## **3. Infrastructure and Accessibility**

- *Transportation:* The light rail is mentioned positively, indicating good public transportation options that enhance connectivity and accessibility.
- *Proximity to San Jose and San Jose State University:* Proximity to San Jose, San Jose State University and Santa Clara University adds to the City's appeal, benefiting from the broader draw of San Jose's and Santa Clara's conventions, events, and educational and cultural resources.

## **4. Business Perception and Regional Standing**

- *Pruneyard as a Landmark:* The Pruneyard is highlighted as a standout feature in people's minds, suggesting it is a key asset in the city's commercial and social landscape.
- *Regional Recognition:* Campbell is best known within the Silicon Valley region as having a good reputation as a community, though individuals and businesses further out may not have detailed knowledge about it as a business location.

## **5. General Observations**

- *Spillover Benefits from San Jose:* The City benefits from being close to San Jose, not just geographically but also in terms of economic and social spillover, including conventions and events that draw people to the area.
- *Desirable Suburban Quality:* Campbell is described in positive terms as a small town that is closely integrated with the urban fabric of San Jose, making it a desirable suburban location with its distinct identity and advantages.

Using stakeholder input, the Assets, Challenges and Opportunities were identified. A work session was held with the City Economic Development Subcommittee and the Economic Development Advisory Committee to review and refine the Assets, Challenges and Opportunities list.

### 3. ASSETS, CHALLENGES & OPPORTUNITIES

Assessing Campbell’s assets, challenges, and opportunities is a critical component of developing an economic development plan. The Asset, Challenge & Opportunity assessment was a reiterative process engaging both internal stakeholders (residents, local businesses, nonprofits) and external stakeholders (agencies, partners, real estate brokers, businesses). The objective was to get broad input to assets, challenges and opportunities from their perspectives and then identify those that cross over multiple stakeholders. Input for the assessment was gathered from personal interviews, forums, resident and business survey, City staff, Economic Development Advisory Committee and Council input.

The assets, challenges and opportunities provide a foundation for understanding the current state, based on stakeholder input, identifying key challenges that could constrain future economic growth and identifying opportunities for improvement and economic growth. The assessment lays the groundwork for informed decision-making to address the unique needs and potential of the City (see *Figures 2 and 3*).

**FIGURE 2: DEFINING ASSETS, CHALLENGES & OPPORTUNITIES**



**FIGURE 3: STAKEHOLDER ENGAGEMENT & CONSULTANT FINDINGS**

 <b>Assets</b>	<ul style="list-style-type: none"> <li>Small town feel, place to raise family</li> <li>Community-oriented, sense of place</li> <li>Sense of safety, security</li> <li>Strong heritage, cultural diversity, valued</li> <li>Proximity in the Silicon Valley region</li> <li>Major transportation routes</li> <li>Business mix</li> <li>Companies anticipating growth</li> <li>Great place to do business</li> <li>Business recovery</li> <li>Small business, business longevity</li> </ul>	<ul style="list-style-type: none"> <li>Talent pipeline growing</li> <li>Population diversity</li> <li>Low vacancy rates</li> <li>Small entrepreneurial businesses</li> <li>Small niche of tech companies</li> <li>Downtown key asset</li> <li>Quality of life, hiking, trails</li> <li>Responsive City</li> <li>Chamber &amp; DCBA</li> <li>Open spaces and parks</li> <li>Hiking trails &amp; Riparian Corridors</li> </ul>
 <b>Challenges</b>	<ul style="list-style-type: none"> <li>Permitting and Zoning</li> <li>Resources are strained</li> <li>Physical build out of community</li> <li>Employee recruitment, difficult for businesses</li> <li>Keep Downtown vibrant</li> <li>Increasing homeless and perceived safety</li> <li>Parking-related problems (more than downtown)</li> <li>Trash and recycling services</li> <li>Limited commercial and industrial space</li> </ul>	<ul style="list-style-type: none"> <li>Some vacant space not to code</li> <li>No vacant sites</li> <li>Limited flex &amp; R/D space</li> <li>High office vacancy, limited office development</li> <li>High cost of doing business</li> <li>Shopping online</li> <li>Childcare affordability and availability</li> <li>Affordable housing</li> </ul>
 <b>Opportunities</b>	<ul style="list-style-type: none"> <li>Streamline permit, shorten timeline</li> <li>Position &amp; promote city as a unique quality city with small town feel</li> <li>Focus on existing businesses</li> <li>Leverage visitor opportunities, e.g., Levi Stadium</li> <li>Support local-small business</li> <li>Update Downtown strategy – refresh and support vibrancy</li> <li>Reuse &amp; repurpose vacant bldgs</li> <li>Work closely with brokers on retail, office &amp; industrial</li> <li>Leverage small technology companies</li> <li>Address business challenges</li> </ul>	<ul style="list-style-type: none"> <li>Support for growth of small tech companies; e.g., EV, electric and renewable energy sources</li> <li>Embrace Chamber &amp; DCBA Partnership</li> <li>Encourage Infrastructure improvements</li> <li>Enhance communications with businesses</li> <li>Build relationships with strategic partners such as VTA, PG&amp;E</li> <li>Prepare visitor strategy</li> <li>Leverage Fitness &amp; Trails as part of visitor strategy</li> <li>Initiate placemaking tactics; e.g., gateways, wayfinding</li> <li>Promote trails, open space, natural resources</li> <li>Consider Economic Development Ombudsman</li> </ul>



#### 4. WATCH LIST

In the dynamic landscape of economic development, it is imperative for a city to maintain a vigilant eye on the trends and businesses contributing sales tax revenues. Campbell's most recent HdL Sales Tax data, December 2023, comparing sales tax contributed by major industry groups, third quarter 2022 to third quarter 2023, indicates a major slowdown in key industry groups, which is an important performance indicator to watch and track. There was a significant decline in the Business & Industry group, which likely will not be made up in the fourth quarter to be equal to 2022 Sales Tax Receipts. **Table 1** shows the major industry groups, third quarter 2022 sales tax revenue compared to the third quarter 2023 sales tax revenue, and percentage change (negative **red**/positive **black**).

**TABLE 1: SALES TAX DATA**  
**Quarterly 2022 to 2023 Comparison and Percent Change**  
**from Previous Year**

Major Industry Group	3Q 23 Compared to 3Q22 Source: HdL 12.22.23		
	3Q22	3Q23	% Change
Business & Industry	1,260,008	535,929	<b>-57.5</b>
State & County Pool	835,273	502,867	<b>-39.8</b>
General Consumer Goods	433,207	393,60	<b>-9.1</b>
Building & Construction	528,983	497,718	<b>-5.9</b>
Food & Drugs	165,034	161,123	<b>-2.4</b>
Autos & Transportation	184,879	181,406	<b>-1.9</b>
Fuel & Service Stations	289,967	294,022	1.4
Restaurant & Hotels	640,404	682,963	6.6
Transfers & Unidentified	455	3,324	631.4
<b>Total</b>	<b>4,338,199</b>	<b>3,252,963</b>	<b>-25.0</b>

The current national and regional economic landscape is marked by both challenges and opportunities. Global shifts, technological advancements, and economic uncertainties require a focused approach to economic development. The following considerations should be kept in mind as the City implements economic development efforts over the next few years:

- **Remote work dynamics** will continue; attention is needed to address the implication of these remote work trends on office space demand and how it may or may not affect the economic landscape.
- **Consumer behavior shifts**, consumer preferences and online shopping trends will require evaluating innovative retail models and digital marketing approaches to enhance the local shopping experience.
- **Collaboration amidst uncertainty**, particularly economic uncertainty, forging strong partnerships with local and regional stakeholders will assist in enhancing the impact of economic development efforts.

The major decline in the Business & Industry category (*Table 1, Sales Tax Data*) is likely caused by the current economic slowdown, national fiscal policies (primarily interest rates) and businesses taking a conservative approach with the decline in demand for services, products, and supplies. A ripple effect of business consolidation could lead to an increase in space vacancies.

## II – Where do we want to be?

Phase II of the Strategic Plan Approach, *Where do we want to be?* involved a study session with the City Council, held on December 5, 2023, to receive input on developing the Economic Development Plan and Roadmap.

For the study session, Assets, Opportunities and Challenges were reviewed by the Economic Development Subcommittee and the Economic Development Advisory Committee, and the draft economic development plan framework with potential actions structured around three pillars was presented to the City Council:

**Pillar I Foundational** focused on the basic elements of an economic development program structure supporting the core functions of business retention, expansion, and attraction. Actions to address business climate, maintaining a real estate portfolio to understand vacancies in economic centers, outreach to audiences that influence business decisions, and stronger communications with existing businesses in commercial, office and industrial sectors were considered. The Foundational Pillar also addressed the actions and tasks needed for “filling vacancies” in the retail and industrial sector, which was a priority in updating the Economic Development Plan.

**Pillar II Collaborative** emphasized the opportunity of partnerships and alliances across various sectors, including public, private, institutions and nonprofit organizations, to leverage limited resources. Included in Collaborative were opportunities to enhance small

business and startup assistance, leverage opportunities around events at Levi Stadium and other major venues and continue to build Campbell's organic and experiential image through Downtown Campbell Business Association and marketing focused on changing perceptions, upgrading the City website, and increasing use of social media.

**Pillar III Aspirational** included actions and projects around "placemaking" to maintain Campbell's unique small-town image, sense of place and to be attractive to talent for a workforce pipeline for future years. Also, to utilize an Urban Land Institute Technical Assistance Team specifically for Downtown and explore the formation of a Property Based Improvement District (PBID) to assist with any infrastructure improvements and maintenance in the Downtown. Placemaking is embedded in the City's 2040 General Plan and other existing planning documents and is emphasized in this strategy plan to reinforce and inspire projects and initiatives aimed at maintaining Campbell's identity through creative placemaking throughout the City.

## Council Input and Feedback

The Council provided the following feedback on assets, challenges, and opportunities as well as input on exploring specific business and economic opportunities. All feedback has been integrated into Section II, Strategic Implementation and Tactical Action Plan in the appropriate strategic initiative and actions. It is also highlighted at the end of strategic initiative/action as *Council Inquiry: Exploring Opportunity for Growth and Development and referenced below.*

### 1. Assets, Challenges & Opportunities

- Assets: add open space and parks, hiking trails, etc.
- Opportunities:
  - Support growth of small tech companies, i.e., EV, electric and renewable energy sources.
  - Leverage visitor opportunities from Levi Stadium and other major venues in the surrounding area.
  - Build relationships with strategic partners, such as VTA, PG&E.

*See Section I, Strategic Planning Approach, Assets, Challenges & Opportunities*

### 2. Visitor Sector and Market Opportunity

- Visitors – address how to provide context, assistance, and information to those planning and working on venues and events.

- Opportunities to attract hotels along the creek as a draw connecting to the trail network.
- Promote outdoor space, parks, natural resources, open space, etc.

*See Section II, Strategic Implementation & Tactical Action Plan, Strategic Initiative 2.0, Action 2.5 Visitor Sector and Strategic Initiative 3.0, Action 3.2.3 Visitor Strategy*

### **3. Vacancies**

- What can be done about the high vacancies in the Campbell Technology Park?

*See Section II, Strategic Implementation & Tactical Action Plan, Strategic Initiative 2.0, Action 2.4, Council Inquiry: Exploring Opportunity for Growth and Development*

### **4. Market Conditions**

- Establish ombudsman/business champion – to help businesses with the process of starting up and working with the City and other agencies.

*See Section II, Strategic Implementation & Tactical Action Plan, Strategic Initiative 2.0, Action 2.1.2, Staffing City of Campbell Economic Development Strategy - January 2024 - SECTION I - Page 27*

### **5. Small Business**

- Add how to leverage and connect with the Small Business Administration, promoting Campbell as an oasis for new business.

*See Section II, Strategic Implementation & Tactical Action Plan, Strategic Initiative 3.0, Action 3.2.2 Promoting Small Business & Entrepreneurship.*

- Consider bike rental companies as a niche, particularly near the trails.
- Consider how the growing interest in fitness and fitness studios might be a niche along with other outdoor activities.

*See Section II, Strategic Implementation & Tactical Action Plan, Strategic Initiative 2.0, Action 2.2, Council Inquiry: Exploring Opportunity for Growth and Development*

### **6. Placemaking**

- Add Gateways to enhance entry areas into and around Campbell from the freeway.

*See Section II, Strategic Implementation & Tactical Action Plan, Strategic Initiative 5.0, Action 5.2*

- Add expanding and promoting smaller events that occur in the City.
- Add reviving the past vibrant music scene Downtown Campbell was known for.

*See Section II, Strategic Implementation & Tactical Action Plan, Strategic Initiative 2.0, Action 2.5 and Strategic Initiative 3.0, Action 3.2.3*

In addition to the feedback above, there were three pivotal questions posed on preserving Campbell's small-town charm:

- 1. What is going to keep us from being like every other city?**
- 2. How do we maintain our small-town charm?**
- 3. What has made us so great?**

These questions transcend traditional economic development paradigms, delving more into the essence of what makes Campbell truly unique as a place to live. Actions for preserving and maintaining small-town identity and sense of place go beyond an economic development plan to a forward-thinking and holistic approach embodied in City planning. To answer the questions, concepts and practices used by other cities to maintain or create their sense of place are provided.

*Note: The concepts and practices presented are embodied in the City's new 2040 General Plan and Multi-Family Development Design Standards, both of which guide planning efforts for the City's future and help sustain the City's unique small-town character. There are General Plan references for Questions #1 and #2 which concern planning.*

**1.010 Purpose:** The Multi-Family Development & Design Standards (MFDDS) set forth the standards for neighborhood design and building form, implementing the City's various area plans, and the land use designations established by the General Plan. The standards contained in this document reflect the community's vision for implementing the intent of the Campbell General Plan to facilitate housing production and specifically infill housing production, through development that reinforces the highly valued character and scale of Campbell's centers, neighborhoods, and corridors. The standards also support the desire to retain the City's unique small-town character and scale of development.

## **COUNCIL PIVOTAL QUESTION 1:**

### **WHAT IS GOING TO KEEP CAMPBELL FROM BEING LIKE EVERY OTHER CITY?**

#### **Concepts & Practices Used in Creating Sense of Place**

*These concepts and practices are embodied in the City's 2040 General Plan and Multi-Family Design Standards.*

The path to staying unique lies in the blend of cultural richness, community engagement, careful planning, and a commitment to inclusive growth. Weaving “third spaces” within developments can enhance the sense of community fitting a small-town character.

- Architectural harmony with the community. Designs of shopping centers should complement the existing small-town aesthetic. Use materials, colors, and styles that blend with the local character.
- Attention to the scale and proportion of buildings, opting for buildings that are in proportion to the surrounding environment.
- Pedestrian-friendly spaces with well-maintained sidewalks, crosswalks, and pedestrian zones. Encourage walkability to create a more intimate and community-oriented shopping experience.
- Public spaces with seating areas, benches, and greenery. Create inviting plazas or squares where people can gather, relax, and socialize.
- Landscaping and greenery incorporated into the design. Plant trees, flowers, and shrubs to soften the visual impact of the development and add a touch of nature.
- Local art and public art installations reflect the community's culture and creativity. Artistic elements can contribute to a unique and visually appealing atmosphere.
- Facades with variation to avoid a monotonous appearance. Incorporate architectural elements that provide visual interest and break up the massing of the buildings.
- Mixed-use spaces that combine retail with other uses like office spaces or residential units. This creates a more dynamic and diverse environment.
- Spaces within the shopping center for community gatherings. This could include a central square, event areas, or a community stage for performances and events.

*See General Plan Policy or Action*

#### **GOAL LU-2:**

Ensure that new development is compatible with existing development in order to maintain a high quality of life for Campbell residents.

**Policy LU-2.5** Promote new development and additions that are designed to maintain and support the existing character and development pattern of the surrounding neighborhood, especially in historic neighborhoods and neighborhoods with consistent design characteristics.

**Action LU-2.a** Through the development review and permit process, screen development proposals for land use compatibility, including conformance with existing development or neighborhoods.

#### **Goal CD-1**

Strengthen Campbell's identity and sense of place through quality design and cohesive neighborhoods.

**Policy CD-1.1** Recognize that the city is composed of residential, industrial and commercial neighborhoods, each with its own individual character; and allow change consistent with reinforcing positive neighborhood values, while protecting the integrity of the city's neighborhoods.

**Policy CD-1.3** Through implementation of the city's design review process, encourage creative, high-quality, innovative, and distinctive architectural and site designs that help create unique, vibrant places.

**Policy CD-1.6** Preserve, rehabilitate or restore the city's historic buildings, landmarks, districts and cultural resources and retain the architectural integrity of established building patterns within historic residential neighborhoods to preserve the cultural heritage of the community.

**Policy CD-1.8** Require property owners to maintain structures and landscaping to high standards related to design, health, and safety.

**Action CD-1.b** Adopt and apply objective standards for all residential projects that respect and build upon Campbell's unique character and distinctive neighborhoods.

**Action CD-1.c** Adopt and apply design guidelines for non-residential and mixed-use development. The guidelines should address architecture, size and scale of structures, the vertical and horizontal mixing of uses, building materials and colors, landscaping, site planning, and similar development subjects.

### **Goal CD-3**

Promote strong and identifiable City boundaries that provide a sense of arrival into the City and its districts to reinforce Campbell's unique character and small town image.

**Policy CD-3.2** Support strong and identifiable City boundaries that provide a sense of arrival into the City and its gateways to reinforce Campbell's unique character and small-town image.

**Policy CD-3.4** Anchor gateway intersections with landmark buildings that incorporate iconic architectural design and that are oriented to face and frame the corners of intersections.

### **Goal LU-4**

Provide for a diversified mix of strong retail centers, service commercial activities, manufacturing enterprises, and high-paying employment opportunities that contribute to Campbell's economic well-being.

**Action LU-4.c** Develop guidelines for Industrial designated land uses, including a provision that allows higher FARs for larger parcels that encourage research and development uses in the Dell and McGlincy neighborhoods.

### **Goal LU-8**

Promote the continued evolution of the Pruneyard/Creekside District as an active mixed-use area with a range of commercial, office, residential, entertainment, and recreational uses functioning **as a community and regional focal point**.

**Policy LU-8.1** Preserve and enhance the unique character and economic viability of the Pruneyard shopping center, including new residential development that complements and supports the shopping center.



## **COUNCIL PIVOTAL QUESTION 2:**

### **HOW DO WE MAINTAIN CAMPBELL'S SMALL-TOWN CHARM?**

#### Concepts & Practices Used in Maintaining Community Identity

*These concepts and practices were used during the preparation of the City's 2040 General Plan process and are occurring in the City of Campbell.*

Maintaining a small-town feeling in a community surrounded by urban cities can be challenging but is certainly achievable with strategic planning and community involvement. Preserve the unique characteristics that define the community's identity. This may include historical buildings, landmarks, and cultural traditions.

- Community engagement in planning processes and decision-making. Encourage residents to participate in discussions about development, amenities, and changes to ensure their voices are heard
- Consider developments that blend with the existing architecture and landscape, avoiding overly dense or incompatible projects.
- Support and promote local businesses to maintain a distinct community character. Encourage entrepreneurship and locally owned establishments.
- Walkable and bike-friendly infrastructure, streets and public spaces that encourage pedestrian activity, fostering a sense of community and connection.
- Green spaces and parks within the community, areas providing residents with places to gather, relax, and enjoy nature, contributing to the small-town atmosphere.
- Community events and traditions that celebrate the town's history and cultural heritage. These events create a sense of community and pride.
- Vibrant local arts and culture scene, local artists, galleries, and cultural events that contribute to a unique community identity.

*See General Plan Policy or Action*

#### **Goal LU-5**

Maintain and enhance Downtown Campbell as a vibrant, community-oriented district that serves as the retail, entertainment, civic, and cultural hub of the city.

**Policy LU-5.3** Encourage farmers' markets, community, and cultural events in the Downtown commercial area that provide alternative shopping opportunities and community interaction.

**Goal CD-3**

Promote strong and identifiable City boundaries that provide a sense of arrival into the City and its districts to reinforce Campbell's unique character and small town image.

**Policy CD-3.2** Support strong and identifiable City boundaries that provide a sense of arrival into the City and its gateways to reinforce Campbell's unique character and small-town image.

### **COUNCIL PIVOTAL QUESTION 3:**

#### **WHAT HAS MADE US SO GREAT?**

Possibly a rhetorical question, but one that points to Campbell's heritage and years of leadership to maintain its rich history. Stakeholder feedback and the City's General Plan point to factors that likely contributed to Campbell's maintaining a sense of place and small-town identity:

- Honoring and incorporating community's agricultural heritage.
- Integrating innovation and progress while maintaining a distinct identity through planning.
- Welcoming storefronts, friendly exchanges on the streets, and sense of belonging.
- Embracing diversity and inclusivity, variety of cultures, perspectives that coexist harmoniously.
- Ample green spaces, parks, trails speak to a community's commitment to balance.
- Recognition as a safe and clean community for its residents.
- A commitment to preserving the qualities that make the community a genuinely beautiful place to live, work, and thrive.

The Council's input and questions, and the invaluable insights from stakeholders have been integrated into the structure of the Economic Development Plan and incorporated in Section II, Strategic Implementation and Tactical Action Plan.

### III – How do we get there?

To drive economic development in Campbell, the plan focuses on a series of strategic initiatives and actions, organized within the Pillar framework presented to Council (see Pillar Chart):

**Pillar I Foundational** – building a strong economic development foundation.

*(See General Plan, Economic Development Element, Goal ED-1)*

**Pillar II Collaborative** – collaborating with partners to leverage resources and opportunities. *(See General Plan, Economic Development Element, Goal ED-1, ED-2)*

**Pillar III Aspirational** – focusing on placemaking to maintain Campbell’s small-town image and distinct character.

*(See General Plan, Economic Development Element, Goal ED-1, ED-3)*

The **Strategic Initiatives** within the Pillar Framework represent intentional, objective-driven actions that, when implemented effectively, address key challenges, manage a strategic economic development program which will maximize opportunities and contribute to economic growth.

## Strategic Initiatives

**1.0 Enhancing Market Opportunities** are essential efforts to building a solid economic development foundation. Actions are aimed at transforming perceptions, cataloging the City’s real estate portfolio (vacancies), establishing trust with the real estate broker network, and continually researching the dynamic Silicon Valley market to identify both new and existing market opportunities.

**2.0 Building Economic Vitality** is the core to a solid economic development foundation that has a consistent work effort to fill vacancies, support business retention, expansion, and attraction projects to diversify the economy,<sup>13</sup> support emerging business growth, and enhance the Dell and McGlincy economic center as a unique district to attract traded sector businesses. Actions involve optimizing organizational operations, working with businesses and real estate brokers to fill retail/commercial space, identifying constraints that will keep businesses from locating or expanding, such as recent regulations on trash, implementing solutions and communicating with key audiences.

13 Aligned with 2040 General Plan Economic Development Element Goal ED-3 Business Diversification.

**Retail/Commercial Vacancies.** Filling retail and commercial spaces not only adds to the shopping diversity of the City, but it also contributes to sales tax revenue. Challenging for Campbell, based on a Placer.ai analysis,<sup>14</sup> Campbell is over-supplied in most retail categories, which is an indication of a regional market serving residents beyond Campbell. The categories with unmet demand are likely stores adjacent to Campbell serving the market:

1. Category Groceries
2. Other Food Off Premises
3. Deli Type “Food to Go”
4. Meals and Non-alcoholic Off Premises
5. Alcoholic Drink Establishments
6. Lumber and Other Building Materials

*Included in Strategic Initiative 2.0, Action 2.2 is a Target List of Retail Businesses Matched to Existing Space Currently Available in Campbell.*

**Traded Sector Businesses.** Traded sector businesses, also referred to as goods producing, are major economic drivers in Campbell. They may or may not be sales tax generators depending on the specific business operations. Based on the economic scan analysis<sup>15</sup> Campbell has a niche and strength in the following traded industry sectors and should target these sectors to expand or fill vacant spaces which would continue to create the industry clustering that is currently present:

1. Professional, Scientific and Technical Services – 2022 GRP<sup>16</sup> \$1.3 billion
2. Manufacturing and Advanced Manufacturing – 2022 GRP \$1.0 billion
3. Information Technology & Services – 2022 GRP \$492.0 million
4. Construction Supplies & Services – 2022 GRP \$423.0 million (this sector has best potential for sales tax generation)

*Included in Strategic Initiative 2.0, Action 2.3 is a Target List of Traded Sector Industries Subsectors for the four target industry sectors.*

Campbell is also well positioned to attract Emerging Industries; these are typically businesses developing new technologies and innovations in the startup stage, such as electric vehicle parts and accessories. Dell and McGlinchey area are a perfect fit for these types of emerging businesses.

*Included in Strategic Initiative 2.0, Action 2.3 is a Target List of Emerging Industries Subsectors that fit Campbell.*

<sup>14</sup> Section II, Strategic Initiative 2.0, Action 2.2 [Placer.ai](#) Analysis of Unmet Demand/Oversupplied Categories.

<sup>15</sup> Working Paper Economic Scan.

<sup>16</sup> Annual Gross Regional Product (GRP).

**Traded Sector Caveat:** These industry sector targets are “best fits” for Dell and McGlincy area. Dell and McGlincy area should be evaluated for any improvements needed to make these areas more attractive to these sectors. Strategic Initiative 2.0, Action 2.3 Traded Sector identifies an opportunity to recognize the Dell and McGlincy area as a unique district. Attraction efforts would entail targeted marketing promoting specific spaces vs. broad marketing tactics.

**3.0 Strengthening & Leveraging Resources** aims at maximizing resources through enhanced public-private partnerships including collaboration and coordination with City departments and local organizations. Included in this initiative are tactical steps to position Campbell as a small business hub providing access to resources for small businesses and startups, creating an entrepreneur cultural starting with youth, and preparation of a Visitor Strategy to strengthen the opportunity to leverage Campbell's proximity to Levi Stadium and other major venues, regional events, and activities, and two universities.

**4.0 Messaging & Promotions** is an extensive roadmap of marketing tactics beyond economic development communications. This initiative includes upgrading the City's website, communications and marketing concepts to increase awareness with audiences beyond business, local business features, and promoting Campbell assets such as the trail network.

**5.0 Creating Placemaking Economics** focuses on maintaining the City's small-town charm through placemaking — vibrant, attractive spaces that draw people and businesses, way finding, gateway and “third” spaces. Two key actions are Downtown placemaking engaging the Urban Land Institute in a Technical Assistance Project and recognizing Dell and McGlincy area as a unique district through placemaking actions.

Each initiative and action are detailed further in Section II, Strategic Implementation and Tactical Action Plan, ensuring a focused and actionable roadmap for Campbell's economic development. This approach emphasizes strategic initiatives and actions as the drivers of change, leveraging the City's assets and opportunities for sustainable growth.



## Alignment of Economic Development Plan with 2040 General Plan

The Strategic Initiatives recommended in the updated Campbell Economic Development Plan (**Figure 4**) are closely aligned with the goals and actions outlined in Campbell's 2040 General Plan, Economic Development Element and the 2017 Economic Development Plan:

### STRATEGIC INITIATIVE 1.0: ENHANCING MARKET OPPORTUNITIES

**Changing Perceptions & Real Estate Portfolio:** These actions align with the Economic Development Element's focus on reviewing and updating as necessary zoning and other development regulations in Campbell (ED-2.a) and leveraging real estate to attract businesses (2017 EDP-1.2, EDP-1.3). By changing perceptions and showcasing Campbell's marketable real estate, the City can attract diverse businesses that contribute to economic vitality.

**Broker Network & Research:** These efforts support the Economic Development Element by building relationships with key influencers and understanding market dynamics, which is crucial for identifying new opportunities and aligning development efforts with market needs. (*See Figure 5*)

### STRATEGIC INITIATIVE 2.0: BUILDING ECONOMIC VITALITY

**Diverse Business Support:** Actions aimed at supporting retail/commercial, traded sectors, and office businesses align with the Economic Development Element's goal to diversify the economic base (ED-3) and support local businesses (ED-1.e, ED-2.b, ED-2.c, ED-2.f).

**Visitor Sector:** Enhancing the visitor sector complements efforts to promote local spending and tourism (ED-6, EDP-7.1), thereby contributing to the city's economic vitality and broader marketability. (*See Figure 6*)

### STRATEGIC INITIATIVE 3.0: STRENGTHEN & LEVERAGE RESOURCES

**Collaboration with Local Entities:** Actions focusing on collaboration with other city departments, the Chamber of Commerce, Downtown Campbell Business Association, and other partners embody the collaborative pillar by leveraging partnerships to enhance economic development efforts, consistent with fostering public-private partnerships outlined in the Economic Development Element (ED-1.c, ED 1.j, ED 1.k, ED-1.h, ED-6.B). (*See Figure 7*)

## **STRATEGIC INITIATIVE 4.0: MESSAGING & PROMOTIONS**

**Enhancing Marketing Tactics:** This initiative aligns with the Economic Development Element's focus on developing and marketing Campbell as a unique place with unique assets and opportunities (ED-1.g, ED-1.i), as well as partnering with local organizations for joint marketing efforts (ED-1.j). Effective messaging and promotions can elevate the City's profile as an attractive place for businesses, talent, shoppers, and visitors. *(See Figure 8)*

## **STRATEGIC INITIATIVE 5.0: CREATING PLACEMAKING ECONOMICS**

**Downtown as a Vibrant Hub:** Actions to renew and connect Downtown to other economic centers and assets (ED-6, ED-6.a, ED-6.g).

**Investment in Public Spaces & Placemaking Strategies:** These actions directly support the Economic Development Element's aspirations for creating a vibrant, family-friendly community (ED-4, ED-5) by enhancing spaces and implementing wayfinding and gateways as placemaking strategies. This initiative fosters a sense of place and community identity. *(See Figure 9)*

The strategic initiatives outlined in the updated Campbell Economic Development Plan are intricately connected to the Economic Development Element, focusing on enhancing market opportunities, building economic vitality, strengthening, and leveraging resources, promoting the city, and creating vibrant spaces. Together, these initiatives and the corresponding actions provide a comprehensive roadmap for achieving sustainable economic growth, enhancing the quality of life, and ensuring the long-term prosperity of the Campbell.

**FIGURE 4: PILLARS, STRATEGIC INITIATIVES, AND TACTICAL ACTIONS**

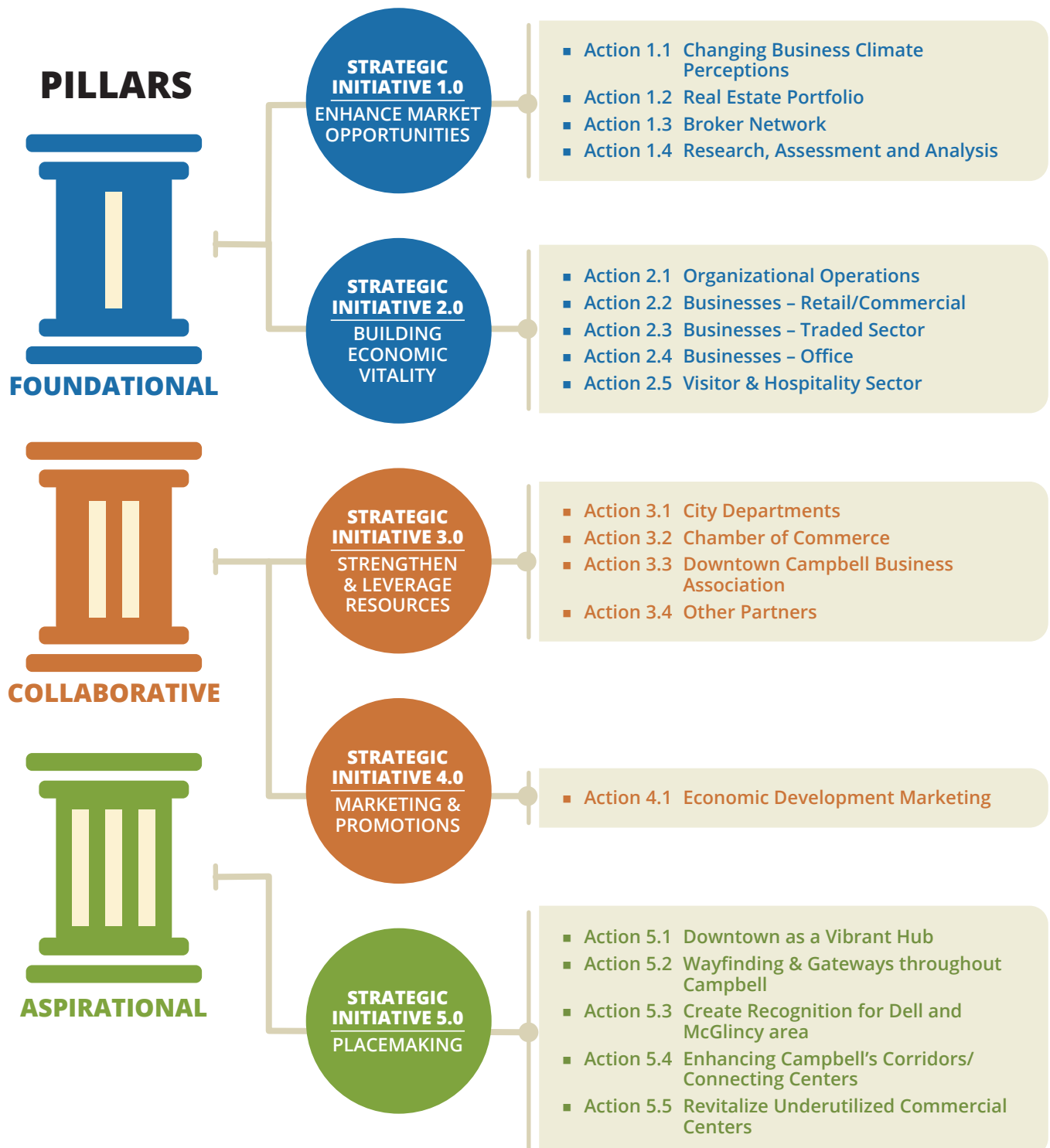


FIGURE 5: STRATEGIC INITIATIVE 1 (OVERVIEW)

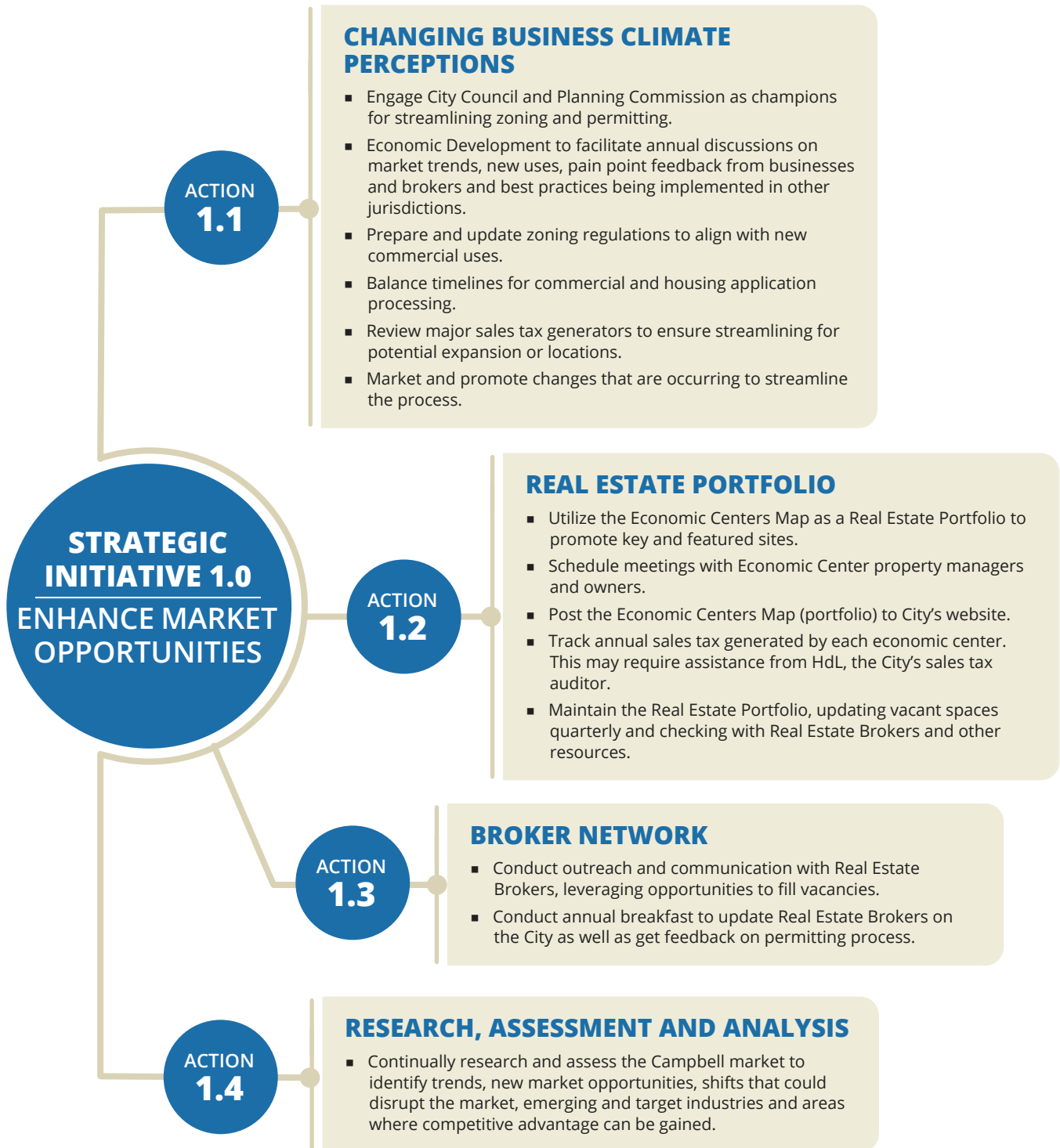


FIGURE 6: STRATEGIC INITIATIVE 2 (OVERVIEW)

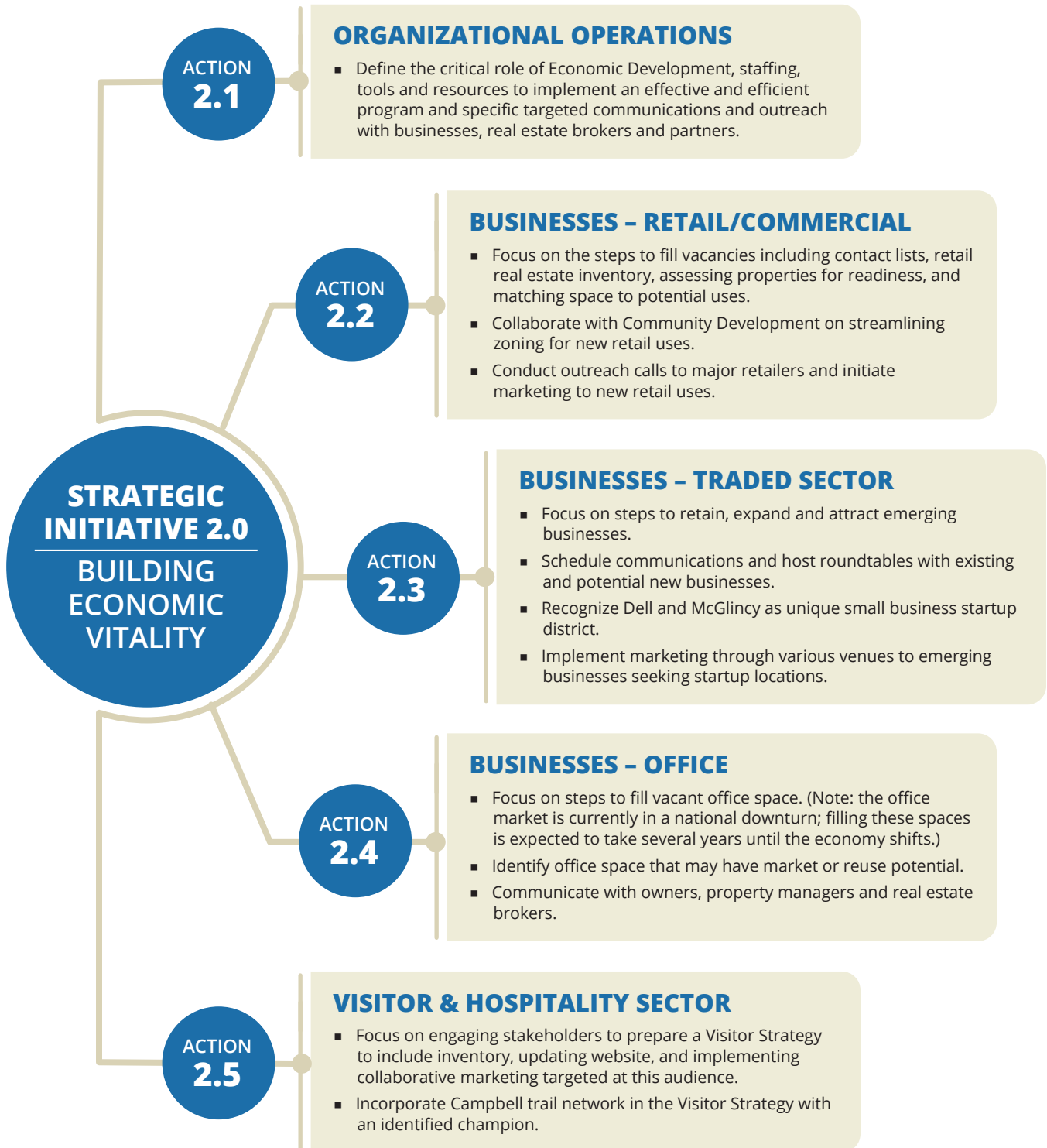


FIGURE 7: STRATEGIC INITIATIVE 3 (OVERVIEW)

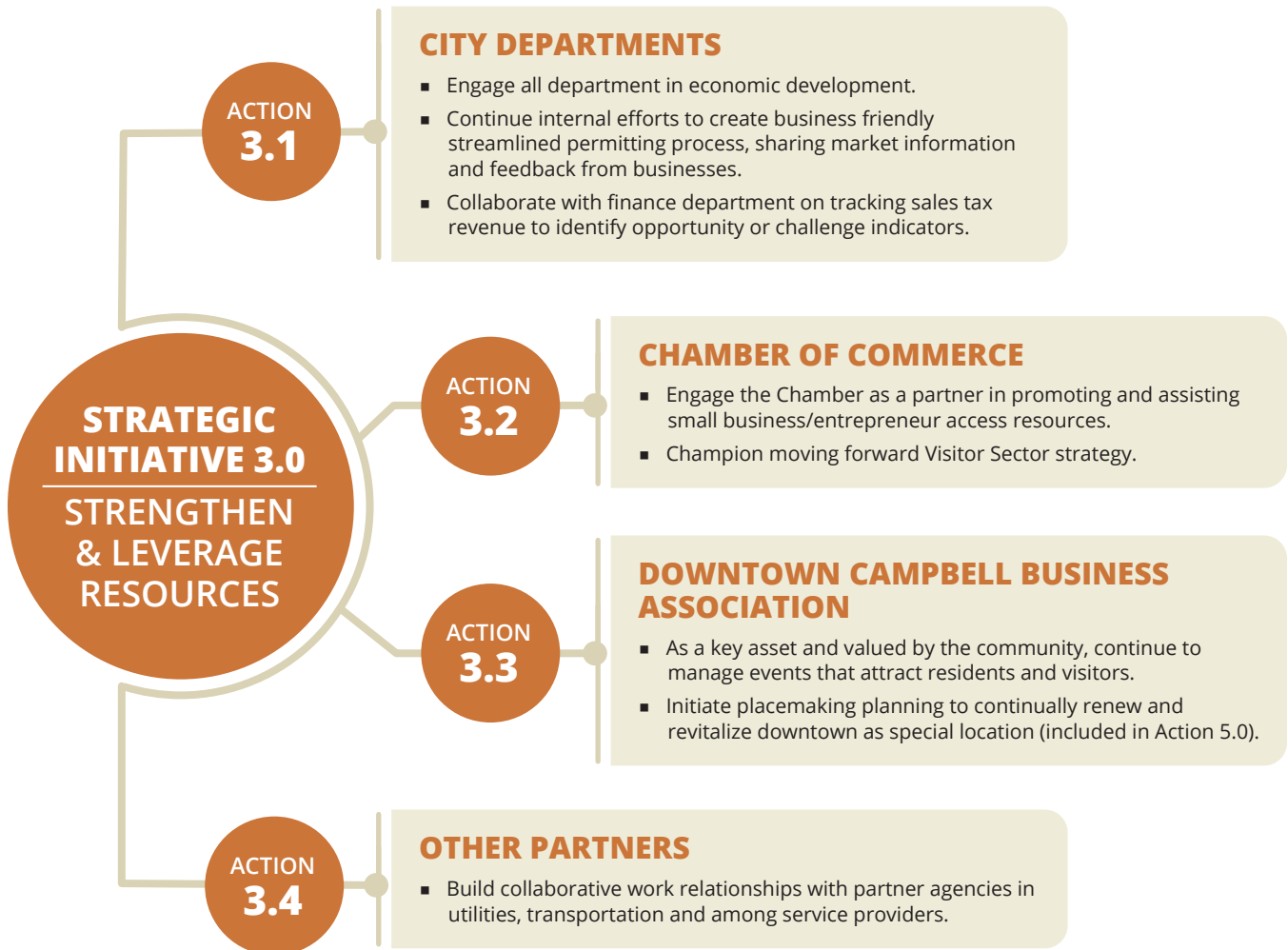


FIGURE 8: STRATEGIC INITIATIVE 4 (OVERVIEW)



FIGURE 9: STRATEGIC INITIATIVE 5 (OVERVIEW)





# IMPLEMENTATION

Embarking on the journey of economic development is an endeavor that transcends static outcomes; it is a dynamic and ongoing process that evolves with the changing needs of Campbell. It involves forging partnerships, embracing adaptability, and weaving together the diverse threads that make Campbell unique and vibrant.

The three pillars of the plan — Foundational, Collaborative and Aspirational — are grounded in comprehensive assessments, enriched by active stakeholder engagement, and shaped by the invaluable input from the City Council.

Implementing the economic development plan demands a thoughtful and purposeful approach, grounded in a realistic timeframe. Such a strategic investment of time and resources is essential to maximize the return on investment and foster sustainable growth.

Section II, the ***Strategic Implementation and Tactical Action Plan***, has been designed to be flexible in its approach, as it acknowledges the evolving needs of Campbell.

The Tactical Action Plan outlines the five Strategic Initiatives for achieving economic growth and new market opportunities while preserving Campbell’s small-town identity. Each initiative has tactical actions and tasks to serve as a roadmap for implementation.



# Strategic Initiative & Action Recommendations

**TABLE 2: YEARLY RECOMMENDATIONS (3 YEARS)**

## YEAR 1

1. FOUNDATIONAL	INITIATIVE	ACTION
Solidify the economic development program with consistent work efforts.		
1. Change perceptions through zoning & permitting streamlining and communications.	1.0	1.1
2. Address retail vacancies, initiate actions to fill spaces and address key issues that may constrain locations, such as, regulatory requirements on trash enclosures.	2.0	2.2
3. Address industry sector vacancies, including assessment of Dell and McGlincy area for needed improvements and matching space availability to targets.	2.0	2.3
4. Initiate economic development communications with businesses, property owners and managers, developers, and real estate brokers.	2.0	2.1
2. PLACEMAKING	INITIATIVE	ACTION
Align General Plan priority for Downtown.		
1. Downtown – apply to Urban Land Institution for a Technical Assistance Program (ULI-TAP).	5.0	5.1
2. Evaluate the feasibility of a Property-based Improvement District (PBID) for Downtown.	5.0	5.1
3. Evaluate interest of creating Dell and McGlincy as a unique district, targeting emerging industries.	5.0	5.3
3. COLLABORATIVE	INITIATIVE	ACTION
Maintain and strengthen Campbell's distinct small-town image and brand through experiences.		
1. Support and enhance events in Downtown.	3.0	3.3
2. Begin discussions to leverage Levi Stadium and other venue events for benefit of Campbell businesses.	3.0	2.5, 3.2
3. Upgrade City website.	4.0	4.1.2

## YEAR 2

1. FOUNDATIONAL	INITIATIVE	ACTION
1. Continue streamlining, communications and retail attraction (as needed).	1.0, 2.0	1.1, 2.1, 2.2
2. Continue traded sector diversification targeting key industries and positioning for emerging industries.	2.0	2.3
3. COLLABORATIVE	INITIATIVE	ACTION
1. Begin supporting Small Business and Start Up access to resources and position within Silicon Valley as a startup hub.	3.0	3.2
2. Prepare visitor strategy	2.0	2.5
3. Launch marketing tactics <i>beyond the economic development audience</i> .	4.0	4.1.3

## YEAR 3

1. FOUNDATIONAL	INITIATIVE	ACTION
1. Continue all actions started in Year 1 & 2.	1.0, 2.0	
2. If the market has improved, focus on filling office space.	2.0	2.4
2. COLLABORATIVE	INITIATIVE	ACTION
1. Launch visitor strategy	3.0	3.2
2. Continuing marketing tactics and promotions of existing businesses.	4.0	
3. PLACEMAKING	INITIATIVE	ACTION
1. Focus on implementing recommendations from ULI TAP for Downtown.	5.0	5.1
2. Investigate opportunities and funding mechanism for gateways.	5.0	5.2

# SECTION II

Implementing Pillars, Strategic Initiatives, Actions & Tasks



# SECTION II

In the dynamic landscape of strategic planning, where ideas and concepts take form, lies the critical juncture of implementation—a phase where strategies transform from concepts into actionable initiatives.

## Strategic Implementation and Tactical Action Plan

Section II is the ***economic development tactical action plan***, a comprehensive roadmap focused on implementation through a multi-faceted approach grounded in the three core pillars: Foundational, Collaborative, and Aspirational.

Section II outlines a series of strategic initiatives aimed at operational efficiencies, enhancing market opportunities, filling spaces, and building economic vitality, strengthening and leveraging resources, amplifying marketing, messaging, and promotions, and creating placemaking economics that enrich the community, renew vitality and attract investment.

The purpose of Section II is to detail the specific actions and tasks required to bring these strategies to life, ensuring that each initiative is executed with precision and effectiveness. By laying out a clear path for implementation, this serves as a guide for City officials, stakeholders, and partners, marking a commitment to sustainable growth, collaboration and revitalization while maintaining Campbell's small-town image, propelling Campbell towards a prosperous future.

### TACTICAL ACTION PLAN LAYOUT INCLUDES:

**Pillar Chapters.** Each of the three Pillars, Foundational, Collaborative and Aspirational, are prepared as separate chapters, standalone actions plan that include the strategic initiatives for that pillar and then the tactical actions and tasks to implement the actions. These guide implementation efforts.

**Strategic Initiatives.** Strategic initiatives within each Pillar are specific projects or programs designed to achieve the initiative's objectives. These initiatives are actionable paths forward, devised to address identified needs, opportunities, or challenges in order to stimulate economic growth and enhance competitiveness.

Included with each Strategic Initiative narrative is a call out titled "Challenges" which is a short summary of the challenges identified during the assessment phase and plan

development that could hinder economic development for this initiative if not addressed. Also included as a callout titled “City Response” is a short summary of proposed actions and solutions designed to overcome these challenges. These summaries serve as reminders during implementation of obstacles and approaches – the why this initiative is important within the overall strategic framework. This approach addresses immediate issues but also lays down a pathway for sustainable growth and improvement.

**Actions & Tasks.** Each strategic initiative has several actions that outline the practical steps or interventions that translate the plan’s strategies into tangible outcomes, intended as a guide for strategic implementation.

**Council Inquiry: Exploring Opportunities for Growth and Development.** At the City Council’s December 5 Study Session, Council members provided input and expressed interest in specific assets, opportunities, and businesses. The input has been incorporated in the tactical actions of the related initiatives. To ensure during implementation that input is recorded, the input is highlighted at the end of the strategic initiative to highlight the Council’s specific interest in the action.

**Table 3: Pillars, Strategic Initiatives, Actions** summarizes the structure and content of the tactical plan.



TABLE 3: PILLARS, STRATEGIC INITIATIVES, ACTIONS

PILLAR I: FOUNDATIONAL	
 <p>FOUNDATIONAL</p>	<p><b>Strategic Initiative 1.0 Enhancing Market Opportunities</b></p> <ul style="list-style-type: none"> <li>Action 1.1 Changing Business Climate Perceptions</li> <li>Action 1.2 Real Estate Portfolio</li> <li>Action 1.3 Broker Network</li> <li>Action 1.4 Research, Assessment and Analysis</li> </ul> <p><b>Strategic Initiative 2.0 Building Economic Vitality</b></p> <ul style="list-style-type: none"> <li>Action 2.1 Organizational Operations</li> <li>Action 2.2 Businesses – Retail/Commercial</li> <li>Action 2.3 Businesses – Traded Sector</li> <li>Action 2.4 Businesses – Office</li> <li>Action 2.5 Visitor &amp; Hospitality Sector</li> </ul>
PILLAR II: COLLABORATIVE	
 <p>COLLABORATIVE</p>	<p><b>Strategic Initiative 3.0 Strengthen &amp; Leverage Resources</b></p> <ul style="list-style-type: none"> <li>Action 3.1 City Departments</li> <li>Action 3.2 Chamber of Commerce</li> <li>Action 3.3 Downtown Campbell Business Association</li> <li>Action 3.4 Other Partners</li> </ul> <p><b>Strategic Initiative 4.0 Marketing &amp; Promotions</b></p> <ul style="list-style-type: none"> <li>Action 4.1 Economic Development Marketing</li> </ul>
PILLAR III: ASPIRATIONAL	
 <p>ASPIRATIONAL</p>	<p><b>Strategic Initiative 5.0 – Placemaking</b></p> <ul style="list-style-type: none"> <li>Action 5.1 Downtown as a Vibrant Hub</li> <li>Action 5.2 Wayfinding &amp; Gateways throughout Campbell</li> <li>Action 5.3 Recognize Dell</li> <li>Action 5.4 Enhancing Campbell’s Corridors/Connecting Centers</li> <li>Action 5.5 Revitalize Underutilized Commercial Centers</li> </ul>



# PILLAR I: FOUNDATIONAL

Implementing an economic development plan requires a focused approach by a city's economic development unit on the fundamentals of economic development — creating market opportunities and enhancing economic vitality - generating economic wealth in the form of tax revenue to the city and economic impact for the community.

The actions and tasks included in *Pillar 1 Foundational* are just that — the **foundation**, i.e., actions and tasks that need to be in place and that are critical for achieving economic growth for the city. The foundational activities typically performed by a city's economic development unit are not in place in Campbell and need to be established as a first step to building a strong economic development unit and program.

*Pillar 1 Foundational* Initiatives, Actions and Tasks, are intended to provide clarity of the interdependencies between different economic development tasks and their contribution to overall success.

Two Strategic Initiatives are included in *Pillar 1: Foundational*:

1. **Enhancing Market Opportunities** which includes continuing to address Zoning and Permitting. This should be a priority for the city. By improving and reducing the time for a business to locate in a building will enhance Campbell's competitive advantage — and will be an incentive for businesses to locate in Campbell. It will also continue to change the current perception held by businesses, brokers, and developers that Campbell is a difficult place to do business. Other tasks that support the Enhancing Market Opportunities objective include maintaining and monitoring a real estate portfolio to identify ready vacant space that can be filled, establishing a strong broker network and continuous research to understand market shifts and opportunities.
2. **Building Economic Vitality** includes details for organizational operations, tasks for implementing tactics to fill vacancies in retail, office and industrial spaces, identification of future industry investment and opportunities and actions to build a strategy for the visitors' sector.

Establishing and implementing a strong foundational economic development program will lead to stronger economic risk management, economic growth and investment while improving the overall vitality of the city. Regular reassessment and adaptation to changing circumstances will be crucial for ongoing success. Once the foundation is solidified, other actions and tasks that leverage the foundation can be implemented to achieve broader objectives.

## Strategic Initiative 1.0 – Enhancing Market Opportunities

Strategic Initiative 1.0 is focused on those actions that create strategic advantage for Campbell. There are four actions to enhance market opportunities to better support filling vacancies and the growth and expansion of existing and new businesses. Each action has *strategic tactics* for Enhancing Market Opportunities that will:

1. Address challenges faced by the City of Campbell (as noted in Challenges).
2. Position the City of Campbell for continued new investment.

Enhancing Market Opportunities is an ongoing process that requires coordination, adaptability, and a focus on strategic objectives of creating market and economic opportunities.



### CHALLENGES

As identified in stakeholder and broker meetings and discussions with the City's Planning Commission, the City of Campbell has a perceived reputation as a difficult place to do business because of zoning and permitting issues. The Community Development Department, assisted by the City Council and Planning Commission, has made headway in changing zoning and permitting regulations to be more streamlined. However, there is still more to do in streamlining processes as well as changing perceptions.

Although an objective is to fill vacancies, the City has a limited portfolio of ready-to-market spaces. Because of the negative "doing business in Campbell" perception the relationships with commercial and industrial brokers and property managers have been less than positive and will require rebuilding.

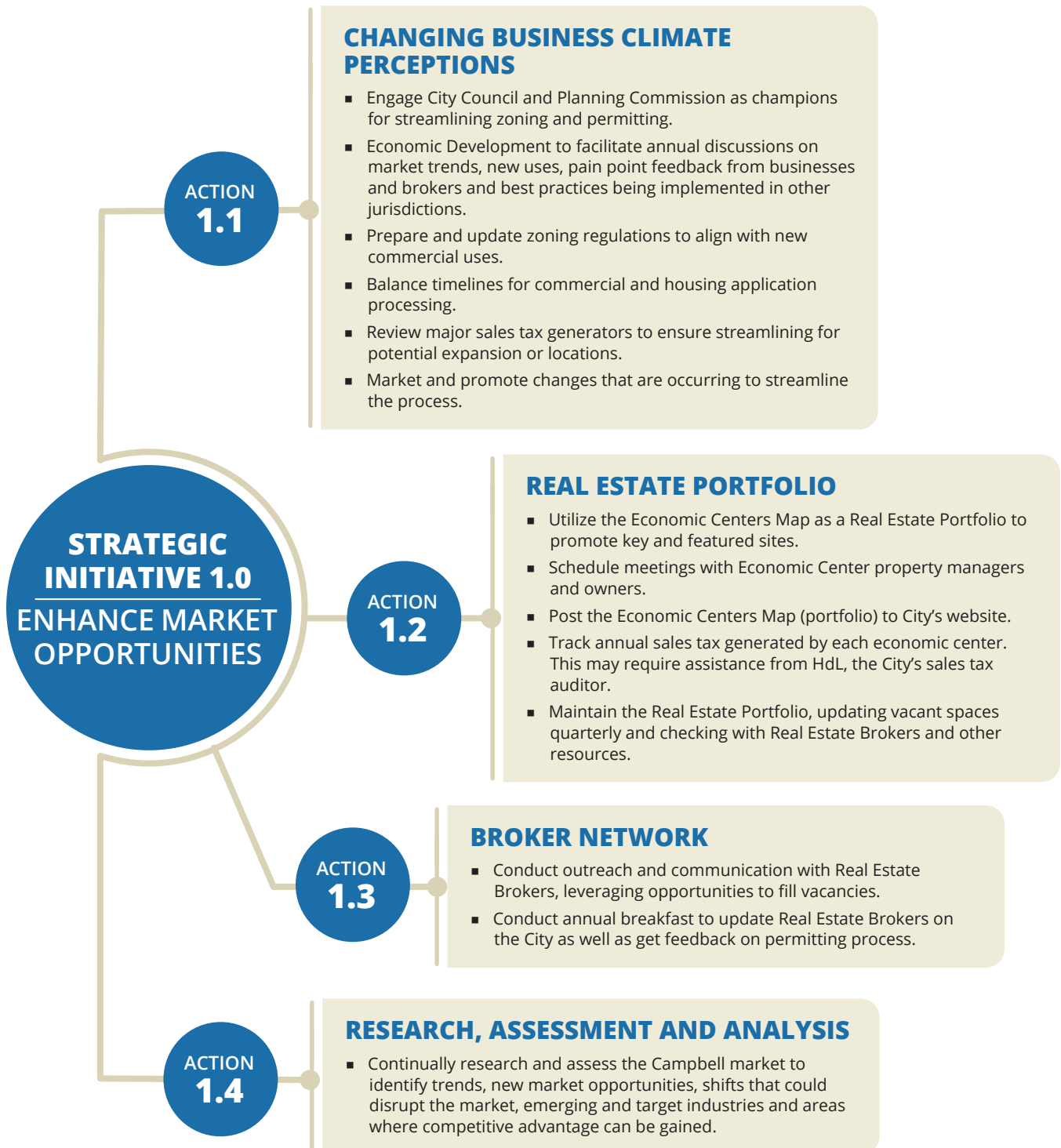


### CITY RESPONSE

The City should:

- Continue the ongoing effort by the Community Development Department, the Planning Commission and the City Council to streamline zoning and permitting and shorten timelines for business to locate in the City which will enhance the City's competitiveness in the market for new and expanding businesses.
- Launch the Campbell Economic Development economic center and real estate vacancy web tool,<sup>17</sup> (referred to as the Real Estate Portfolio), maintain the portfolio and promote to the broker network, businesses, and managers of the City's economic centers.
- The commercial properties that have housing overlay designation (City's Housing Element) could be added to the portfolio and promoted to housing developers.
- Engage in direct communications with brokers to build a strong network, and individual relationships, to further enhance market opportunities.

<sup>17</sup> During Phase I of the Economic Development Plan, Campbell's [economic centers](#) were mapped in an GIS ESRI web tool. Vacancies can be posted by Economic Center, City's Economic Centers can be promoted on City's website featuring centers, spaces, and businesses. The tool also assists City staff with understanding the location and sizes of vacancies within any Economic Center.



## ACTION 1.1 CHANGING BUSINESS CLIMATE PERCEPTIONS

During Phase I of the Economic Development Plan engagement process with stakeholders and local businesses, the number one issue brought up was zoning, permitting and delays in opening a business.<sup>18</sup> The City's 2040 General Plan and Economic Development Element Goals/Actions<sup>19</sup> also identified the need for zoning and permitting streamlining. Because of this feedback it has been added to the Economic Development Plan as a priority action. Executing this action will be helpful in changing the negative perception of doing business in Campbell, particularly with real estate brokers, developers, and existing businesses.

Prior to the beginning of the Economic Development Plan process, the City's Community Development Department had begun the zoning review process. They deleted the requirement for businesses to obtain a use permit for every change of use in a building, (i.e., if a dress store located in a space previously occupied by a cellular phone dealer, the dress store would have had to get a use permit). In addition, staff have prepared zoning amendments, for continued regulatory reform, scheduled to be presented to the City Council for adoption Q1 2024. These significant actions to correct the zoning and permitting challenges have already started to change the business perceptions for Campbell. The process is extensive and cumbersome and there are still additional opportunities to streamline the process.



### CHALLENGES

Community Development is continuing to work on streamlining zoning and permitting:

- Conditional use permits are still required for many of the businesses interested in opening stores in Campbell.
- New business models and uses that previously did not exist in Campbell's zoning code, are now interested in locating in Campbell. These unlisted uses require City staff to make a determination as to how to categorize the business within the zoning code. This determination often results in the business needing a conditional use permit or possibly not being allowed at all.
- Current perceptions believe that the timing/process is so cumbersome in Campbell that businesses or their representative will choose to consider other locations, outside of Campbell, where the process is shorter with less risk. This results in missed opportunities for Campbell.

<sup>18</sup> Campbell Working Paper: Assets, Challenges, Opportunities (FINAL).

<sup>19</sup> Note: The 2040 General Plan, ED 2.a to ED 3.b references: "Review, and update as necessary, zoning and other development regulations and application review and permitting process...aimed at spurring job growth and economic development..."



## CITY RESPONSE

- Overall objectives for addressing the challenges should include:
- Have shorter and more streamlined processes for all new businesses and development projects, but especially businesses that generate tax revenues to the City.
- Coordinate discussions between the City departments (led by the Economic Development Manager) as to what zoning categories new business applicants would be placed in and keeping track of how many of them require CUPs.
- The City Council, Planning Commission and Community Development Department can be champions of this effort by showcasing that the City understands the needs of businesses.

The action steps below all focus on removing real or perceived barriers and time delays to approve uses and permits for new or expanding businesses filling empty commercial spaces. These actions, once known by key audiences, will help increase inquiries about business locations in Campbell. Eventually, the actions will also reduce staff time for processing use/building permits and create a more efficient use of time for the Planning Commission and staff.

### 1.1.1 Engagement of City Council and Planning Commission as Champions

During the Economic Development Plan engagement process, the Planning Commission expressed concern with the number of uses requiring a Conditional Use Permit (CUP) that were coming before them, most of which were non-controversial uses. The Planning Commission Ad-Hoc Sub-committee initiated discussions with the Economic Development Plan Team during Phase I to review their concerns. These CUP reviews required extensive time of planners when the planning department was understaffed. The Planning Commission Ad-Hoc Sub-committee was tasked with identifying ways the number of CUPs could be reduced with an objective of a shortened timeline for potential new businesses and time savings for staff and the Commission.<sup>20</sup>

On December 5, 2023, the Council held a study session to review and provide feedback on recommendations from the Planning Commission's Ad-Hoc Advisory Sub-committee for proposed amendments to the Campbell Municipal Code related to the permissibility of land uses in commercial, office, and industrial zoning districts. These recommendations were intended to support business

20 Phase I Working Paper Assets, Challenges, Opportunities, Working Paper Supplemental Challenge – Zoning & Permitting July 2023.

expansions, which was an objective identified during the preparation of the City's updated Economic Development Plan. This has started a process of revising the zoning code that should continue. Below are additional actions that can be taken:

- The Planning Commission should continue to review all uses listed in the zoning regulations that require a CUP and determine if a CUP should be required for those uses or be permitted by right within the appropriate zones.
- Economic Development staff can facilitate annual discussions with the Planning Commission and commercial real estate brokers to understand better the new uses that may seek locations in Campbell (some uses may not be addressed in the current zoning) and the constraints that requiring a CUP presents for those businesses.

### **1.1.2 Balance Timelines for Commercial & Housing Application Processing**

The overhaul of this zoning/permitting process should be a priority. The time needed to process a CUP for a commercial business competes with staff time needed to process new housing applications. State law now mandates that housing applications be given priority in terms of process, requiring specific time thresholds for planning staff's processing of housing applications.

This State mandate takes priority over commercial applications, delaying the filling of commercial vacancies. A process should be put in place that might balance this timeline more evenly, such as assigning one planner as a single point of contact to provide information about commercial permits.

### **1.1.3 Prepare and Update Zoning Regulations to Align with New Commercial Uses**

Planning staff need clear guidance from Economic Development staff, Planning Commission and Council on which changes they feel are needed to accommodate new uses, especially for new retail.<sup>21</sup> Retail operations have changed over the last seven years, producing uses that did not exist previously because of online shopping.

21 Appendix 1.1.3 List of Commercial Uses/Zoning July 2023 – An initial list of commercial uses (those more active in the current market) is included for the Economic Development Manager to watch and work with Community Development on potential zone/permitting process streamlining.

**Example:** The new uses are most often service or active uses that require human interaction, versus stores selling goods that could be purchased online. An example of a new active use is dog training. This new use teaches people how to train their dogs and does not technically fit into any current zoning category. It often is put into a veterinary category, which requires a long and costly permitting process even though the use is less complicated.

**Example:** Currently a bike rental business is not called out in the zoning code. With all new bike rental stores offering e-bikes, City staff might require them to be categorized under “Motor Vehicle Rentals.” If so, this use would **only** be allowed in General Commercial, and no other zoning.

Some Bay Area city councils authorize their planning staff to submit zoning changes in bulk twice a year, for city council approval or denial. This “in bulk” process allows many code changes to be submitted for approval at once. This allows for an ongoing “clean up” process of the zoning document.

There should be annual updates for the Planning staff (by the Economic Development Staff) on business trends and how that affects zoning, business community feedback on regulatory pain points, and any best practices known in regulatory reform.

At the very least, there should be annual updates to the code to address changes in uses and business operations.

**Example:** Allowing retailer flexibility for a “back room” to accommodate the preparation of bulk mail shipments of their products.

#### 1.1.4 Sales Tax Generators

Planning Staff should coordinate with the Economic Development Manager and Finance Director to understand which businesses in the City produce the highest sales/use taxes and what those businesses’ location requirements are. Planning staff should notify Economic Development of any conflicts in the zoning code for new uses that could generate significant tax revenue for the City.

#### 1.1.5 Marketing Streamlining Permit Process

To change perceptions of “doing business” in Campbell, marketing will be needed. *Tactical suggestions are outlined in Strategic Initiative 2.0, Action 2.1 Organizational Operations and in Strategic Initiative 4.0, Action 4.1 Economic Development Marketing, Tactic 4.1.1 Key Campaign Theme.*



## ACTION 1.2 REAL ESTATE PORTFOLIO

Campbell's real estate portfolio is a diverse inventory of property types - retail, office, and industrial - spread across Campbell each with varying market readiness. For Campbell, an initial web-based real estate portfolio listing showing space availability was created (called the Campbell Economic Centers Portfolio) during Phase I with additional data and information added in Phase III which is being delivered with the final Economic Development Plan for the City's use.

A successful real estate portfolio in a city is one that is actively managed by the Economic Development Manager. It should be diverse but also dynamic, with the ability to reassess and adjust based on changes in the economic environment and market conditions. A diverse portfolio has a balanced mix of retail, office and industrial properties which align with the types of businesses and new investment the City wants to expand and attract. Campbell's real estate portfolio should also include those commercial properties designated in the Housing Element with zoning overlays for housing.

***Why is a portfolio important?*** In a landlocked city like Campbell with limited areas for growth and expansion, a well-maintained real estate portfolio is critical for the Economic Development Manager to know what property is available, what is not moving and what might be at risk of sitting vacant. The Campbell Economic Centers Portfolio is also designed to provide the Economic Development Manager with the ability to measure the centers' performance as it relates to sales tax revenue, especially if a center begins to show a decrease in sales tax on a quarter-by-quarter or year-by-year basis. The Economic Development Manager can then "red flag" the center for further investigation.

The portfolio can be used to monitor economic centers and specific retail, industrial, flex and office properties to determine if there is an emerging cluster of synergistic businesses developing in a center. Monitoring enables the Economic Development Manager to have data and trends to take appropriate action in 1) addressing issues and opportunities and 2) in marketing spaces.

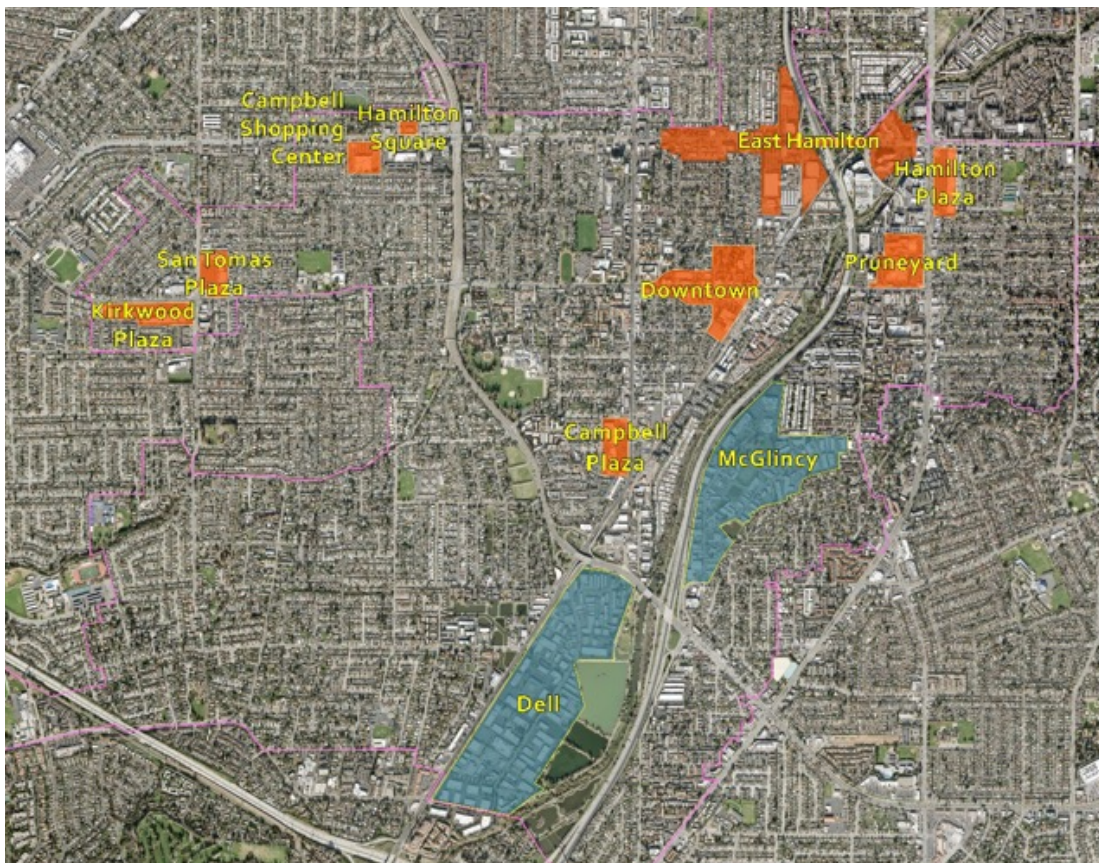
***What is the Campbell Economic Centers Portfolio?*** The portfolio is a GIS based web tool<sup>22</sup> which was created by the Consulting Team, documenting all eleven Campbell economic centers, and identifying vacant properties that were listed on the market for lease (as November 2023). The objective was to provide the Economic Development Manager with a web-based mapping tool that visually depicts each center, maps the location and broker

22 Campbell Economic Center Portfolio, ArcGIS StoryMap web based tool, <https://storymaps.arcgis.com/stories/64e23545ee454f0c823a0a59718b49a0>

listings for vacancies and summarizes HdL (the City's sales tax auditing firm) sales tax data that reflects the performance of each center (as it relates to sales tax generation).

**Figure 10: City of Campbell Economic Centers** highlights eight retail-based centers that are contiguous geographic areas that cover multiple buildings and tenants.

**FIGURE 10: CITY OF CAMPBELL ECONOMIC CENTERS**



Including the large Fry's Building vacancy, the retail economic centers and Downtown Campbell have vacancies in the 7% range<sup>23</sup> (considered a low vacancy rate for retail). The industrial area vacancy rate is also 7% with the Flex/R&D spaces approaching vacancies in the 3% range. **Note:** the Campbell Technology Park, located in McGlinchy, is part of Flex/R&D vacancy which is in the 3% range, however, this property is in flux with the Technology Park being designated in the Housing Element for future housing (*see Strategic Initiative 2.0 Building Economic Vitality, Action 2.4 Office, Council Inquiry*).

23 Working Paper, Real Estate, July 2023.



## CHALLENGES

There is an ongoing challenge in tracking and understanding the various vacancies in all categories – retail, commercial, services, office, research, and development and industrial and it is important for the Economic Manager to know the key vacancies that have opportunity to be filled. The current resource used for identifying vacancies is CoStar, a subscription service, however, it does not provide a complete listing of all properties and is often dated up to three to six months old.

The objective is for the Economic Development Manager to know those vacancies that are market-ready (vacancies that can be filled) and maintain a portfolio available to the public with links to listed properties.

The Economic Centers web tool was created as a Real Estate Portfolio<sup>24</sup> for the Economic Development Manager to understand the various marketable vacancies, their location, and surroundings, as well as update the Portfolio quarterly with new vacancies identified by CoStar, Real Estate Brokers, or other sources.



## CITY RESPONSE

The actions for the *Real Estate Portfolio* are closely tied with Action 1.3, Brokers Network, and the deeper analysis in Action 2.2.2 regarding Retail/Commercial vacancies.

The Real Estate Portfolio has three purposes:

1. Create a system/process to maintain a portfolio that informs the Economic Development Manager of vacancies that are market-ready (can be filled),
2. Maintain a visual tool highlighting all the economic centers, and available properties as appropriate, on the City's website accessible to the public which would link interested parties to representatives of those vacant properties, and
3. Provide a tool to benchmark and track economic progress at the various economic centers.

### 1.2.1 Campbell Real Estate Portfolio

The Economic Development Manager should utilize the Campbell Real Estate Portfolio (Portfolio) as the key tool to manage and promote ready-to-market properties; to track potential conversion of retail/commercial and industrial uses to housing; and to benchmark performance. There is a current inventory in the Portfolio.<sup>25</sup> The database can be downloaded in any format (Excel, GIS, Word document, Google).

<sup>24</sup> Campbell's [economic centers](#) were mapped in a GIS ESRI web tool called StoryMap. This web tool highlights all of Campbell's economic centers and vacancies within those centers are posted (November 2023). This tool is ready for use by the Economic Development Manager to track vacancies in the Economic Centers and to post on the City website for public.

<sup>25</sup> Portfolio Database, November 2023.

### **1.2.2 Outreach to Economic Center Property Managers and Owners**

The Economic Development Manager could use the Portfolio to meet with center property managers and/or owners reviewing upcoming changes in tenancy, proposed improvements, and/or any challenges. The tool could also be used in meetings with commercial real estate brokers to update the status of vacancies the broker has listed in a center.

### **1.2.3 Post the Real Estate Portfolio Map to Economic Development Webpage**

The Portfolio should be a link on the economic development webpage. Vacancies should be updated quarterly when notified by a broker. It is important to keep the data current otherwise visitors will not trust the information posted.

### **1.2.4 Tracking and Monitoring Economic Center Performance Indicators**

HdL, the city's sales tax consultant, provided 2022 sales tax generated by each economic center based on GIS boundaries provided for each center's footprint. HdL should be asked to continue to provide sales tax data for each economic center. This will ensure accurate tracking of center performance and provide an economic benchmark for each center to maximize their potential.

### **1.2.5 Add Key Data and Information to the Real Estate Portfolio**

The Housing Overlay properties from the Regional Housing Needs Allocation (RHNA) should be identified on the Real Estate Portfolio (web tool) as many of the designations are existing retail centers.

## ACTION 1.3 BROKER NETWORK

During stakeholder outreach in Phase I, meetings were held with commercial real estate (CRE) brokers.<sup>26</sup> These brokers represented property owners/buildings, and tenants in the various categories of commercial real estate, Retail, Industrial/Flex/R & D, and Office.

These CRE brokers can be considered part of the economic driver support system, as most of the tax producing businesses that locate in Campbell have interacted with one of these CRE brokers prior to locating in Campbell. These brokers are key stakeholders in expanding and attracting businesses to fill vacant space in Campbell.

Maintaining good relations with commercial real estate brokers enhances the City's ability to gather information, identify opportunities, and facilitate the growth of the local economy. It strengthens the overall economic development strategy by leveraging the expertise and connections of the commercial real estate community.



### CHALLENGES

Because commercial real estate brokers and City staff typically look at the real estate market differently, it is challenging to establish and continue ongoing communication with commercial real estate brokers. Commercial real estate brokers are transaction oriented. They see the world based on one transaction at a time and the commission generated from that transaction. If they do not believe a city staff person can be of help on a transaction, they often do not want to “waste” time on such communication or spending time in that city. Strong relationships with the brokers and developers are built on reliable information and trust.



### CITY RESPONSE

The Economic Development Manager can be the key link to building one-on-one relationships with brokers doing business in Campbell. This promotes collaboration and assistance for the City. The Economic Development Manager is the perfect ombudsman to identify opportunities and advise on the support the City may be able to provide the new business owner.

26 Phase I Working Paper, Real Estate July 2023.



### 1.3.1 Importance of Strong CRE Broker Relations

Good relations with commercial real estate brokers are a collaboration tactic which can be mutually beneficial and contribute to the success of economic development initiatives. Commercial real estate brokers bring many benefits to economic development and cities:

- **Market Insight and Information.** Commercial real estate brokers have valuable insights into local market trends, property values, and development opportunities. Establishing good relations with them allows Economic Development Manager to tap into this knowledge, helping to identify strategic locations for development projects and business expansions.
- **Understanding Market Demand.** Commercial real estate brokers have firsthand knowledge of tenants and market demand for various types of properties. The Economic Development Manager can use this information to align development and leasing plans with the needs of the community and potential investors.
- **Streamlining the Development Process.** Commercial real estate brokers often help navigate the regulatory and permitting processes involved in property development and leasing for their tenants. The Economic Development Manager working closely with brokers can help to streamline these processes, reducing barriers to development and leasing, and encouraging investment within the City.
- **Facilitating Business Expansion.** When existing businesses in the community are looking to expand or relocate, often they contact a Commercial real estate broker who can play a vital role in helping them find appropriate spaces. The Economic Development Manager does not want a strong local business to relocate out of the city, so working closely with brokers to understand the needs of the local businesses, especially when that business is getting close to outgrowing their current spaces, is critical.
- **Networking Opportunities.** Commercial real estate brokers are well-connected within the business community. Good relationships open doors to networking opportunities, allowing the Economic Development Manager to connect with potential investors, developers, and businesses interested in the area.

### 1.3.2 Building Trust

Specific tactics are included in *Strategic Initiative 2.0 Building Economic Vitality, Action 2.2*, including communications and outreach. However, given the current perception held by brokers doing business in Campbell, the brokers will need to be shown that changes have occurred in the Zoning & Permitting (*Strategic Initiative 1.0, Creating Market Opportunities, Action 1.1*). This will take extensive outreach and meetings as well as engaging their input on the updated streamlining process.

As noted in *Action 1.3, Task 1.3.1* commercial real estate brokers have enormous influence on business decisions, they have earned the trust of their client usually following their recommendations. The City/Economic Development Manager must instill that same trust with the commercial real estate broker.

### 1.3.3 Annual Commercial Real Estate Brokers Breakfast

Once a year the Economic Development Manager should host a commercial real estate broker breakfast. At this breakfast, the Economic Development Manager and Community Development Director can share updates on developments that are occurring, and zoning changes in the City and at the same time gather information from this key stakeholder group feedback on regulatory standards, new uses where the zoning/permitting could challenge a location and best practices in planning and permitting that could be occurring in other communities (*Action 1.1, Task 1.1.4*)

Allow time at breakfast for broker presentations of listed buildings in Campbell (no more than 5 minutes each presentation).



## ACTION 1.4 RESEARCH, ASSESSMENTS AND ANALYSIS

Research is a foundational activity for economic development, enabling informed decisions, identifying opportunities, and creating actions that lead to sustainable economic growth and community prosperity.

It is important for the Economic Development Manager to have accurate and up-to-date information about the local economy, market trends, and community needs. Much of this initial research has been provided in the working papers with this Economic Development Plan, but it must be maintained. Continuous research, as a process of economic development management, will help to:

1. Continue to identify emerging and target industries in a changing market.
2. Determine areas where the City can gain competitive advantage.
3. Identify potential new markets and opportunities for development and investment.

Research will also keep the City aware of opportunities that can strengthen and expand its economy and, in turn, sustain quality of life for its residents.

### 1.4.1 Identify Emerging & Target Industries

*(This research is tied to Strategic Initiative 2.0 Building Economic Vitality, Action 2.3 Traded Sector.)*

Silicon Valley's history is notable for the continuous development and successful commercialization of new technologies. However, increasingly other regions in the world are doing the same. Tracking emerging industry or technology is critical for economic development. However constant shifts, transitions, and disruptions in the global economy are unintended consequences that affect technology innovation and advancement and create challenges for knowing how businesses and communities prepare for new opportunities.<sup>1, 2</sup>

Predicting the “next new thing” with certainty is difficult to determine. Flexibility, speed, adaptability, and creativity are important attributes and competitive assets for any business and community wanting a role in the development of a transformative technology or idea. On the demand side, businesses will still

27 Start-Up Grind was founded in 2010 to convene entrepreneurs around the challenges of launching a new company. There are now chapters, events (virtual and in-person) and workshops in cities throughout the world. According to Start-up Grind, nine emerging innovations that may change the world include: 1) Artificial Intelligence 2) Autonomous Driving 3) Reusable Rockets 4) Virtual Reality and Augmented Reality 5) Rapid Adaptation of Renewable Energy 6) Large Scale Desalination 7) Ridiculously Fast Internet 8) Online DNA Analysis 9) Immune System Engineering; see <https://www.startupgrind.com/blog/9-innovations-that-could-become-the-next-big-thing/>

28 McKinsey Generative AI, 2023. McKinsey provides research reports on markets, the economy, technology, productivity, etc. which are available at no cost.

need physical space for incubation and access to top talent. On the supply side, communities must have the right location assets—infrastructure, communications, physical space, workforce, as well as a business climate that is adaptable, flexible, responsive, and supportive.

#### 1.4.2 Areas Where the City Can Gain Competitive Advantage

For Campbell to continue to gain competitive advantage continual research must be done. An example is the mobility of workers and workplace efficiencies continually transforming how work is done which reduces the demand for physical space work.

Example: One of the City's competitive advantages is people (talent) located in Campbell and those attracted to Campbell as a quality community with sense of place. One of business' top location factors is the proximity of talent because of the current worker shortage. A worker shift experienced by the pandemic was an increased acceptance of remote work. Knowledge work can be done anywhere if the talent and communication infrastructure is available. Having talent located in Campbell is an advantage. This is highlighted in *Pillar III, Aspirational, Placemaking*, placemaking maintains that sense of place.

#### 1.4.3 Potential Market Sector Shifts and Investments

Market sector shifts need to be continually researched as they can affect how programs are managed and implemented such as:

- Shifts in population, income distribution, consumer patterns and consumers preferences affect the retail commercial sectors. The current shift has been to more "experienced" based retail, this shift can result in sales tax revenue being reduced.
- Emerging industries identified as potential traded sector businesses for Campbell, automation, robotics, and AI require workers with skills, competencies, and applied knowledge. Competition for workers with these skills will intensify as these emerging businesses grow. Maintaining the talent pipeline living in Campbell will be important.
- The City Council identified the visitor sector as a potential initiative which will require research, analysis, and engagement of public-private partners (*see Strategic Initiative 2.0 Building Economic Vitality, Action 2.4, Visitors & Hospitality*).

Industry research should be a continual process for economic development to be aware of the potential shifts that could be occurring.

#### 1.4.4 Sources & Monitoring

As part of implementation, monitoring trends and performance is recommended. This is a key activity where the Economic Development Manager will need to identify specific indicators for monitoring and scheduling dates for reporting. (such as quarterly, biannually).

Resources for research are varied and diverse including public sources, trade journals, industry specific data and local business publications, the Economic Development Manager will be creating their own list, but general research sources will include:

- Real Estate Market Reports
- Local and Regional Business Journals
- Industry Associations
- State & Federal Data sources, i.e., Census Bureau, Bureau of Labor Statistics, Department of Finance
- Labor Market Data
- State Agencies
- Regulatory Updates
- National and State Chambers
- Educational Institutions
- Publicly Available Financial Reports
- Social Media and Online Platforms
- Sales Tax Data (coordinated with Finance Director)

In addition, the Economic Development Manager may want to gather specific or local data and may find conducting surveys, either independently or in collaboration with local partners, such as Chamber of Commerce, can help gather targeted information directly from businesses, residents, and stakeholders. Economic development consultants or the City's Finance Department can provide financial analysis and economic impact assessments.

## Strategic Initiative 2.0 – Building Economic Vitality

“Building Economic Vitality” describes the City’s strategic actions, usually led by the Economic Development Manager, to reduce risks of economic downturns and City revenue declines. These efforts include forging relationships and building trust with businesses and business investment influencers.

Building economic vitality is a long-term proposition that requires focused economic development actions and resources. By strengthening and empowering economic development in the City, the actions in this initiative will allow the Economic Development Manager to focus on businesses, lead initiatives, building alliances, addressing key challenges, and accessing resources for collective impact.



### CHALLENGES

Campbell faces two challenges that could affect near term economic growth in the City:

- As indicated in Strategic Initiative 1.0, Campbell has had a reputation as a place difficult to do business.<sup>29</sup> Campbell has made excellent headway in changing zoning and permitting to be much more business-friendly and expedient. These changes need to be communicated to key businesses and brokers to prove the City is “open for business” and sensitive to business needs.
- Cities are heavily dependent on sales tax revenue to fund critical services. All cities took a hit during the pandemic with significant declines in sales tax revenue that appeared to be coming back in 2023. However, the national and regional economy continues to shift, causing disruption for many companies. There continues to be ripple effects on local communities as businesses decide to close, consolidate, merge, or move. During these times businesses are at their highest risk of deciding to leave a community, which can be a loss of revenue to the City. Currently, Silicon Valley businesses such as Google, Amazon, Microsoft, and Meta are projected to continue layoffs through 2024, which can affect local businesses.

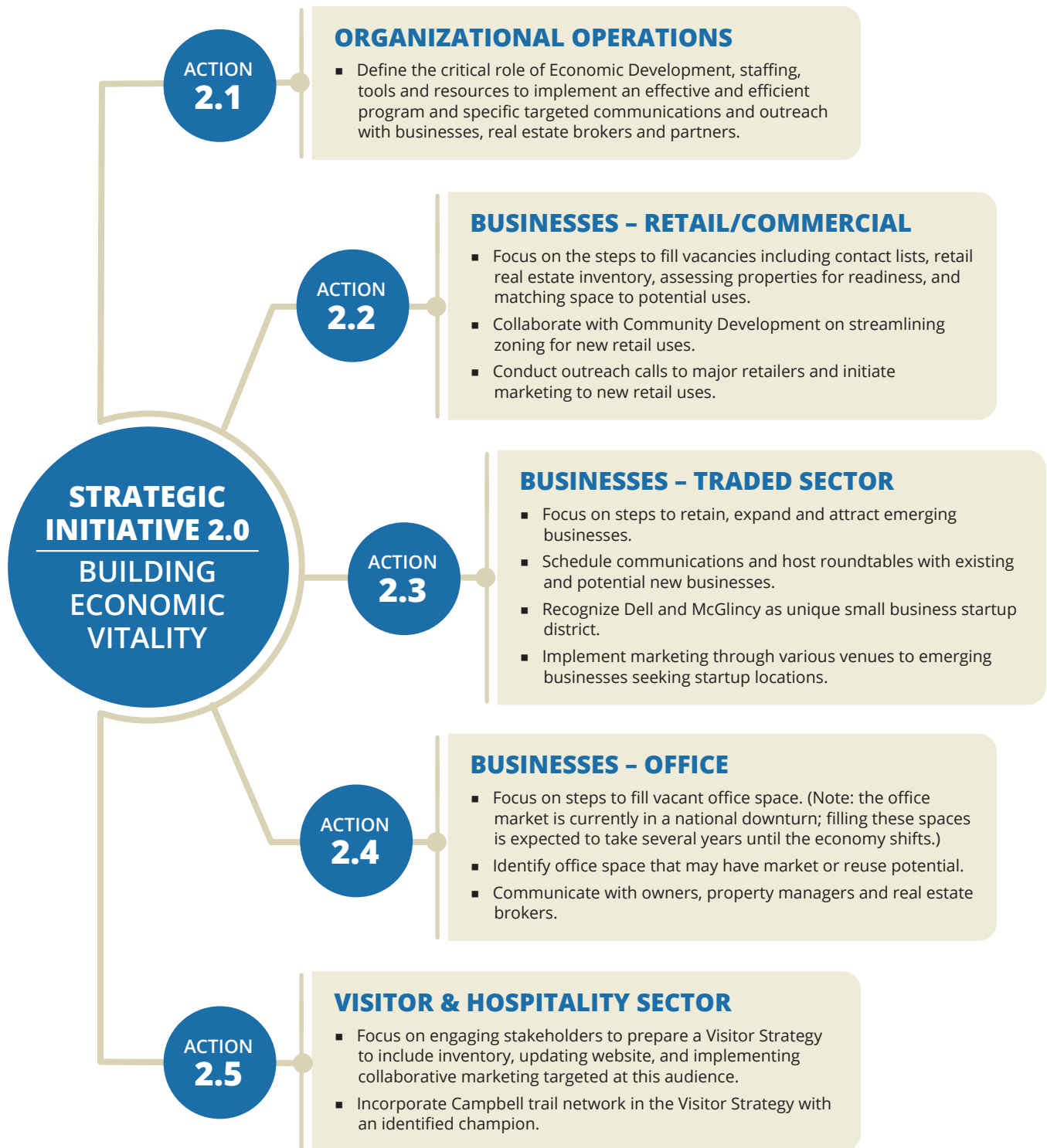


### CITY RESPONSE

Implement focused outreach and assistance to existing businesses, build strong relationships with the real estate broker community to fill vacant spaces and create economic growth:

- Reduce risk of tax revenue decline to the City.
- Encourage new investments that create economic impact, multiplier effects and sales tax revenue.
- Retain and diversify the business mix.
- Position the City to be attractive to diverse emerging businesses, especially retail and technology startups.
- The City should make the necessary modifications to land use regulations that may limit hotel development.

<sup>29</sup> The City of Campbell is not alone with businesses and business influencers perceiving a city is difficult to work in, many cities in the Silicon Valley face that perception which is often due to regulatory issues out of the city’s control. The objective is to mitigate the perception as much as possible with taking strategic steps to create a “business-friendly” environment.



## ACTION 2.1 ORGANIZATIONAL OPERATIONS

### 2.1.1 Role of Economic Development

The Economic Development Manager's role is multifaceted, requiring a combination of strategic planning, relationship building, risk management, understanding the needs of business, and execution skills to drive sustainable economic growth.

1. Economic Development within the City should be clearly defined has a *business-facing department* with an annual work plan that is communicated with other departments who are able to help and support in achieving the objectives of the Economic Development Plan.
2. Economic Development is business-audience focused, implementing targeted programs:
  - **Business Outreach Program** to retain and expand existing businesses:
    - Major sales tax generators, annually
    - Existing businesses in all sectors — retail, office, traded sector and visitor
  - **Building Relationships** with companies and individuals that influence expansions and new business locations:
    - Economic centers managers/owners as geographic areas of economic impact
    - Building and property managers/owners
    - Real estate brokers
  - **Promoting Doing Business** in Campbell to existing, new businesses and business networks:
    - Highlight that business is a priority in Campbell
    - Share changes to streamline zoning and permitting
    - Feature space availability
3. Economic Development also facilitates business expansion and locations, navigating City departments and accessing business resources. Some cities have used a Business Ombudsperson as the position title to further promote that their City is business friendly. The position serves as a vital conduit between City administration and businesses with inquiries and questions.

### 2.1.2 Community Development Department

As noted in Action 1.1, Economic Development coordinates with Community Development on specific business changes and/or needs. Annually update Community Development on retail shifts and trends, office market changes and demands, tracking of emerging and new innovative businesses, business models and industry shifts in the traded sector market, feedback from existing business and economic centers on community and regulatory challenges, as well as regulatory reforms being implemented in other cities that could continually enhance streamlining zoning and permitting process.

### 2.1.3 Finance Department

It is important for the Economic Development Manager to work closely with the Finance Director, particularly on business licenses, sales tax, and transient occupancy tax, to track tax revenue from the economic centers, business categories and specific businesses.

1. **Sales tax data.** Information at the business level is confidential. The Economic Development Manager should schedule monthly meetings/reviews with the Finance Director to review data.
2. **Sales tax tracking.** To get accurate current sales tax data on Campbell's Economic Centers<sup>30</sup> the City requested HdL to provide the data based on the geographic footprints of each Economic Center. It is recommended that the City request HdL to provide this information quarterly along with all other reports so it can be tracked, analyzed, and actions initiated by the Economic Development Manager, using the initial data as the baseline to measure changes.
3. **Business licenses.** New applications for business licenses should be sent to the Economic Development Manager to add to the customer relations management system and welcome businesses to Campbell.

30 Working Paper – Sales Tax Review July 2023.



#### 2.1.4 Tools & Resources

To be efficient and effective in implementing the economic development initiatives, the economic development programs need the following tools (see Appendix 2.1.4 – Economic Development Tools for additional details).<sup>31</sup>

1. Customer Relations Management System (CRM)
2. Newsletter Email
3. Dedicated Zoom or Teams Account for confidential meetings with businesses
4. LinkedIn Account

#### 2.1.5 Economic Centers Real Estate Portfolio

Delivered with this Economic Development Plan is a web-based ArcGIS Story-Map.<sup>32</sup> This tool was used to map all of Campbell's economic centers, nine commercial and two industrial centers. The purpose was to profile each center as well as assess each center's performance based on sales tax generation and identified vacancies. This tool will remain with the City.

- The Economic Development Manager should use the tool to maintain a portfolio of each center and vacancies within those centers.
- Update the vacancies quarterly and update center information annually.<sup>33</sup>
- The Campbell Real Estate Portfolio tool should be linked to the Economic Development page within the City website.
- Identify “featured” properties that can be added as a tab on the tool for promotion.
- Key market potential data and videos of businesses can be added.

#### 2.1.6 Target Audience Communications

To ensure effective communications and build relationships, it is important to establish a regular and balanced schedule for diverse types of communications. The Economic Development Manager should schedule and maintain a communications strategy using Mailchimp (the City's email platform), direct emails (through the CRM), and key networking venues.

31 Appendix 2.1.4 Economic Development Tools.

32 Campbell Economic Centers web based tool profiling all commercial and industrial centers in Campbell, <https://story-maps.arcgis.com/stories/64e23545ee454f0c823a0a59718b49a0>.

33 Properties Listing Updated November 2023.

## 1. *Doing Business In Campbell Newsletter (Mailchimp)*

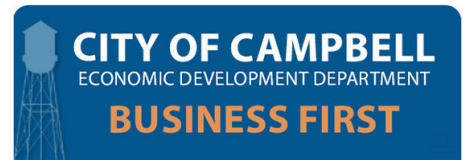
The Economic Development Manager should focus on sending a quarterly newsletter to engage and inform the economic development target audiences (businesses, developers, brokers, venture capital firms) effectively. The newsletter will consist of 3 or 4 main topics:

*Rezoning and Permitting:* The first main point should shed light on the City's efforts to simplify the process of rezoning and permitting, highlighting the ease of starting or expanding in Campbell.

*New Tools and Projects:* The second point should highlight either a new business tool or a significant project the City is currently engaged in. This section will provide insights into how these initiatives will shape the future of Campbell.

*Available Space and Business Updates:* The third point should focus on available spaces or showcase businesses that have recently relocated to or expanded in Campbell. This highlights opportunities for growth and development within the City.

*"You Asked" Series:* This section could revolve around an Economic Center or a local business. The purpose is to spotlight key assets available for lease or repurposing in Campbell. It will include links to the Real Estate Portfolio, relevant data, and contact information for those interested in further exploration. Additionally, provide a link for users to submit questions for the upcoming newsletter, promoting engagement and interaction.



"I am excited to share with you the significant strides that the City of Campbell is taking to enhance its collaboration with local businesses. We understand the importance of creating a business-friendly environment, and our efforts in this regard have been substantial. Our zoning and permitting departments have undergone significant restructuring to streamline and expedite the processes for businesses applying for use permits. These changes are aimed at making it easier and more efficient for businesses like yours to establish or expand operations within our vibrant city. We are committed to supporting your success and ensuring that Campbell remains an attractive place to do business. Your continued partnership and feedback are invaluable as we work together to create a thriving business community."

— Economic Development Manager



### In the Zone

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### Business Permitting

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### Big Things are Happening in Campbell

#### "READ ALL ABOUT IT"

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By structuring the newsletter in this way, the Economic Development Manager can effectively communicate key developments in Campbell, showcase available opportunities, and encourage active participation from the audience, contributing to changing the perception of the City to that of an attractive place to do business.

## **2. *Direct Email Communications***

- Direct email to the target audience is more personalized. The objective of emails is to maintain consistent visibility. Plan a regular email schedule to keep the audience engaged and informed about key information. Keep it short — it can be as simple as “just checking to see if your listing is current on our Real Estate Portfolio.”
- Using the customer relations management system, the Economic Development Manager can segment an email list to a specific audience or different business sector — retail, office, industrial, brokers, developers and venture capital firms.
- The direct email can be single purpose just to keep Campbell's name in front of them or specific. Direct mail is an excellent way to send a video tour of a new building on the market, or a City project.
- Direct email is also a great tool to ask for responses to short surveys or ask for specific input, such as a type of retail expanding in the market.

## **3. *Key Networking Venues***

- Utilize LinkedIn to reach a professional audience, showcasing properties that are ideal for various business types. Regular posts will highlight various aspects of the available properties, such as location benefits, infrastructure, and development potential. These posts can link back to the Real Estate Portfolio for an immersive and informative experience.
- Actively participate in real estate and business networking events, using these opportunities to promote Campbell's assets.
- Host webinars and virtual tours of key properties using the Real Estate Platform. Invite potential investors, developers, and brokers to these sessions where they can get a detailed view of the properties and ask questions in real-time.

#### **4. *Personalized Outreach and Relationship Building***

The most effective, but also most time-consuming, outreach effort is face-to-face direct engagement. There are two types of face-to-face activities that create strong connections: attending network venues, where there is an opportunity to meet with the target audience, and those organized and scheduled by the Economic Development Manager.

- Schedule face-to-face meetings for direct engagement.
- Host networking events to facilitate discussions and collaborations.

These both require preplanning, scheduling, and follow-up with target audiences.

## ACTION 2.2 BUSINESSES – RETAIL/COMMERCIAL

Filling retail vacancies in the various economic centers in the City, including strip centers, neighborhood centers, and regionally serving retail, was a priority for creating the economic development plan. During Phase I, Assessment of Real Estate and Vacancies,<sup>34</sup> the retail vacancy rate was 7% which is considered a low vacancy rate for retail. However, there are still challenges affecting how vacancies get filled (changing retail markets and increased regulations) as recovery from the pandemic continues and the national, regional, and local retail markets continue to shift, and increased regulations affecting business operations continue to affect how vacancies can be filled within the retail marketplace.



### CHALLENGES

Over the last seven years, (2016-2023), brick-and-mortar retail upheavals have occurred in national, regional, and local markets caused by more retail shopping moving online and brick and mortar stores closing. While strong retail demand returned post-pandemic, there also occurred a shift in the types of businesses replacing and utilizing typical retail space. The current demand is for more “experience oriented” businesses which sometimes require different physical layouts of space.

Campbell could face the following challenges in filling retail spaces:

- **Supply/Demand Shift.** Limited portfolio of available and ready-to-market space for the market demand/shift.
- **Marketable Spaces.** Retail spaces could be vacant but not marketable, limiting the space availability further (Table 4: Types of Vacancies and Action 2.2.2).
- **Commercial Properties Transitioning to Housing.** To increase housing, the State passed zoning regulations which added housing overlays to commercially zoned properties. When these properties are redeveloped, it will decrease the retail and commercial spaces throughout Campbell. The City may want to initiate an economic impact study to estimate the loss of sales tax revenue from commercial properties with retail converting to residential.
- **Conditional Use Permits.** Conditional use permits are still required for many retail uses in Campbell, which could delay store openings by nearly a year after a lease is signed.
- **Campbell Retail Supply, Demand, Leakage.** Campbell has a retail sales surplus<sup>35</sup> with few categories indicating a retail demand (also referred to as leakage). Lack of retail demand will challenge recruiting new retailers (prospective retailers seek areas where there is an unmet demand) (Action 2.5.5).

34 Working Paper, Real Estate July 2023.

35 Chart Campbell Retail Supply & Demand, Source: Placer.ai; Retail Supply & Demand Source, January 2024.



## CITY RESPONSE

The City's response to dealing with the challenges of the retail market should be very strategic in approach, including:

- Understanding the retail/commercial real estate portfolio at a deep level.
- Building relations with retail brokers, both locally and regionally, especially those representing tenants.
- Focusing on Campbell's economic centers and existing retail/commercial businesses to identify opportunities for expansion and diversification.
- Initiating and maintaining strong communications with retail businesses, property managers, developers, and brokers to change the current negative perceptions regarding Doing Business in Campbell as it relates to permitting.
- Continuing to make changes to zoning and permitting started in 2023 by the Community Development Department/Planning.

The Action Tasks that follow focus on market-ready property inventory, utilizing the broker network, continuing the process of streamlining permitting and zoning for retail, existing business outreach and matching target uses to space availability and marketing.

## STEPS TO FILLING RETAIL VACANCY



### 2.2.1 Creating and Maintaining a Quality Contact List

A well-curated Customer Relations Management (CRM) database of businesses and contacts, updated frequently, will be a tool to not only build relations but to efficiently manage contacts, transactions, communications, and outreach.

***Populating Customer Relations Management (CRM) database.*** Key contacts to be entered and coded into the CRM:

- Real Estate Brokers - Bay Area based brokers representing national and regional retail/commercial tenants. Local firms such as Econic (Campbell), Retail West, Metrovation Retail, and Lockehouse Retail Group may assist in providing key contacts and introductions.
- Economic Center property managers and owners.
- Existing retail/commercial businesses (owners and managers).
- Key sales tax generator businesses and if appropriate their internal real estate management.
- Over time, populate and code new businesses or potential retail targets that the City wants to attract.
- *NOTE: Building a quality CRM takes continual inputting and updating. Do not expect to have this done quickly. It takes years to accumulate all the information and keep it current.*

### 2.2.2 Creating a Retail Ready-to-Market Inventory

Campbell's Economic Center Real Estate Portfolio<sup>36</sup> currently provides an inventory of available spaces listed by brokers (as of November 2023). This serves as a tool for the Economic Development Manager to maintain an inventory and market available sites.

However, there needs to be a deeper dive into all the vacancies to determine the status and type of vacancies before an accurate and refined list of "market-ready" spaces is available for use. This is called the "Ready-to-Market Inventory."

There are six types of vacancies that render a space **not market ready**, (see **Table 4: Types of Vacancies**). To have an effective program filling spaces, each available space needs to be categorized (market ready or not market ready) so

36 Campbell Economic Center Real Estate Portfolio is a web based ESRI tool provided to the city describing each Economic Center in the City and listing vacant properties in any of the [economic centers](#) (as of November 2023).



the Economic Development Manager focuses on only those spaces that have the potential to be filled or cause the fewest delays for a potential user.

### **1. *Creating Initial Inventory***

- This inventory matrix is a working document for the Economic Development Manager to understand the ready-to-market spaces by each Economic Center.
- Starting with existing vacant properties posted to Campbell's Economic Centers Real Estate Portfolio, create an inventory matrix to document this deep investigation of properties, space sizes, uses and type of vacancy.
- Contact brokers to identify any new listings that have not been posted to the Economic Centers Real Estate Portfolio and use CoStar for creating a baseline inventory. (CoStar is a City subscription database of properties listed by brokers, property managers and property owners.)
- Begin classifying each vacant space by vacancy category to identify those that are most "market-ready" (**Chart 1: Types of Vacancies**). In addition, it is important to understand which vacancies are the most impactful vacancies (largest and most visible).
- The Economic Development Manager may have knowledge of the reason for each vacancy but if not, the Economic Development Manager could take the opportunity to reach out to each Economic Center property manager or property broker to find out **why** the spaces are vacant. In addition, questions could be asked about the space challenges or even potential uses. Those who lease the space best understand the circumstances and conditions of the space, which will help the Economic Development Manager categorize and prioritize the spaces for leasing opportunities.
- The inventory matrix should include the types of vacancies (**Table 4**). As the Economic Development Manager reviews each vacancy, time should be taken to understand why the vacancy exists, and the reason should be noted on the matrix.

**TABLE 4: TYPES OF VACANCIES**

DESCRIPTION OF VACANCY	POTENTIAL ACTION / ASSISTANCE
<b>1 Leased, but not yet occupied</b>	
<p>The City previously required a Conditional Use Permit (CUP) any time a different type of tenant (than what was there previously), went into an existing vacant space. It took approx. 4-5 months for a tenant to get a CUP approved, and then the tenant had to go to the planning/building department to get a building permit. The building permit took another 4-5 months. Hence the vacant space would be leased but not occupied until 10+ months after a lease was signed.</p>	<p>When a CUP is required, the ED Manager, can act as an ombudsman to monitor the process the tenant is going through, ensuring accurate documents are originally submitted and that the time needed for Planning to process the permit is timely.</p>
<b>2 Landlord not willing/or unable to bring space to a condition that is acceptable for the tenant to lease</b>	
<p>During the most recent retail cycle, landlords often would look to the tenant to make all the space up-grades. Often a landlord did not need to put money into their buildings. But the recent (2018-2020) code changes (ADA, Title 24 etc.) require higher costs to retrofit the buildings. Tenants are no longer willing to pay these higher costs for a space, even an exemplary space. Many landlords are not willing to upgrade their properties appropriately. In other cases, the costs are so high, to bring the building up to code, the landlord does not have the financial ability to do so.</p>	<p>When a landlord is not able to bring a space to a condition under which a tenant would lease, the ED Manager and other staff can, hopefully, identify other funding to help the property owner upgrade the property to meet code requirements (see Physically Obsolete Building Inventory).</p>
<b>3 Landlord wants to redevelop property into housing and will only lease for a short term</b>	
<p>With the recent State laws that allow a housing overlay zone on every commercial center, a property owner may offer for lease their retail space for only a short time (2-3 years) because they intend to redevelop the property into a housing development. In this case the property owner doesn't want to have a long-term tenant holding up redevelopment of the property.</p>	<p>There is no reason the ED Manager should focus attention on these properties, in that the property owner has an action plan for the property. But vacancies can be ugly, and disturbing for the surrounding community; therefore, the City can require the property owner to cover windows with printed plastic film or vinyl interior window coverings with art or product displays shown.</p>

## TYPES OF VACANCIES (CONTINUED)

DESCRIPTION OF VACANCY	POTENTIAL ACTION / ASSISTANCE
<b>4 Space is not marketable due to some physical or economic constraint</b>	
<p><i>I.e., depth, width, column spacing, lack of proper utilities, or asking rent is substantially over market rent.</i></p> <p>This can be the case with many older retail spaces, or those retail spaces on the first floor of a residential building. There are design criteria that the national and regional tenants have developed, that prove to be most efficient when operating a retail business. When a space has shorter or longer depths, not enough electrical amperage, columns spaced so close together that a tenant cannot lay out their store, or a property owner asking substantially above market rents, these spaces can only be leased to a local, independent tenant who is willing to live with the imperfections or who can pay the exorbitant rent. There are many fewer local, independent tenants and therefore it can take longer to get the space leased.</p>	<p>If the physical constraint is a lack of proper, upgraded utilities, (and the property owner is willing to pay for the upgraded utilities), the ED Manager can interface with the utility company to ensure the utility company stays focused on scheduling and executing the required upgrades.</p> <p>When a property owner will not set their rent at a normal rate, gentle suggestions from the ED Manager can explain what other properties in the City are renting for, and how renting the space would be an advantage to the owner and the City. The ED Manager should keep track of the vacancy inventory (see 2.2.1) and give the property owner the marketing flyers of other vacant spaces in the City. This may show the property owner how to market his/her space more efficiently.</p>
<b>5 Landlord is not marketing the vacant space through normal channels</b>	
<p><i>E.g., broker, LoopNet, Costar.</i> There are always one or two spaces in every city, wherein the property owner either does not know how to market the space, has decided not to pay the cost to market the space, or just does not want to be bothered marketing the space. This will reduce the property's exposure to the majority of the active, available tenants and their brokers, resulting in a longer time the space stays vacant.</p>	<p>The ED Manager can only make suggestions to the property owner. Hopefully, if the ED Manager can make the property owner aware of the huge audience that is accessible using the tools of the trade, the property owner may agree to more productive marketing tactics.</p>
<b>6 Physically obsolete buildings</b>	
<p>The real estate market in Silicon Valley has been hot for years. Only recently did the market change where tenants no longer feel they should pay for upgrades to a property that are not part of their specific tenant improvements. The owners of these properties are now asked to bring the buildings up to code, including parking lots or to the "path of travel." The cost of bringing some of these buildings and parking lots up to code can be astronomical if a property has been previously leased for long periods of time.</p>	<p>Inventory those buildings that fall into the Physically Obsolete category.</p> <ul style="list-style-type: none"> <li>Investigate what other cities are doing (grants, Main Street funds etc) to help property owners bring their buildings up to code. (NOTE: one action some cities have taken that has <u>not</u> solved the problem is fining property owners for having their spaces vacant for long periods of time. Until a city understands the reason a property owner is not getting a space leased, the problem cannot normally be solved.</li> <li><b>NOTE</b> – these physically obsolete buildings cannot normally be leased until they are upgraded to code.</li> </ul>

## **2. *Maintaining Inventory, Update Economic Centers Real Estate Portfolio***

Once a quarter, the Economic Development Manager should:

- Refresh the vacancy inventory of each Economic Center in the City.
- Connect with brokers on new listings.
- Obtain a CoStar report.
- Visit the economic centers for a visual inventory.
- With the updated vacancies, update the Campbell Economic Centers Real Estate Portfolio on the city website.
- Identify key properties that may have potential to match uses.

## **3. *Broker Assistance***

Brokers representing different properties (Listing Brokers) and diverse types of retail tenants (Tenant Representation Brokers) are the best sources of current data on the market. The Listing Broker understands the viability of specific spaces and the market potential. Building the broker network (Action 1.3) will be invaluable when the Economic Development Manager needs to get “boots on the ground” information for filling spaces.

## **4. *Physically Obsolete Building Inventory***

Those spaces and properties that fall into the Physically Obsolete Building category typically cannot be leased until they are upgraded. Possible steps to help resolve these property issues include:

- Investigate what other cities are doing (grants, Main Street funds, etc.) to help property owners bring their buildings up to code.
- Until the Economic Development Manager has determined the reason a property owner is not getting a space leased, the problem cannot be resolved.

## **5. *Transitioning Commercial to Housing***

In 2023 there was a new State law passed that allows all commercially zoned properties to be developed with housing if certain criteria are met. This will have the effect of reducing the overall retail/commercial space in Campbell.

- When preparing the Ready-to-Market inventory of retail properties, the Economic Development Manager, should flag properties that have been designated in the Housing Element for potential transition into

housing,<sup>37</sup> This should be done to get a clear understanding of what Ready-to-Market retail properties could be redeveloped into housing

- If Campbell's zoning requires ground floor retail on a commercial site, it is likely that less retail will be planned and built. This net reduction of retail space could also affect sales tax revenue for the City. To help mitigate this reduction the following actions could be taken:
  - The Economic Development Manager should collaborate closely with Planning to ensure the proposed mixed use housing projects with ground floor retail space are designed and constructed using the specifications of national and regional retail standards.
  - The Economic Development Manager should coordinate with the Community Development Department to further identify properties with owners interested in redeveloping their properties into multi-family housing and be involved in the early discussions of development.

## **6. Reporting Vacancies to Council**

Using the vacancy inventory the Economic Development Manager should:

- Report quarterly on the status and types of vacancies as well as the status of current outreach and spaces being filled.<sup>38</sup>
- Utilize the Campbell Economic Centers Real Estate Portfolio and Story-Map as a visual tool and resource to showcase new properties and new businesses locating in a center.

### **2.2.3 Zoning and Conditional Use Permits as it relates to Retail**

Many businesses trying to open in Campbell in the past (using the previous zoning code) concluded Campbell was a difficult city to obtain use and building permits for interior tenant improvements. The past zoning required tenants that were different from the previous use to obtain a use permit before applying for a building permit. This requirement caused confusion and time delays.

While the City did away with this requirement in mid-2023, there are still perceptions in the marketplace that it will take longer for a retail tenant to open in Campbell than in other surrounding cities.

<sup>37</sup> Housing overlay maps are included in Working Paper, Real Estate, also available from Campbell Planning Department.

<sup>38</sup> Working Paper – Real Estate July 2023 provides data of vacancy as of June 2023, this would be baseline. This should be reference when updating retail space vacancy rates.

However, there are still uses in Campbell that will continue to need a CUP. The time requirement and costs of these conditional use permits are causing tenants long delays in opening their stores. To assist retailers interested in expanding or opening, the Economic Development Manager should:

1. Become familiar with the current zoning documents to understand what uses require CUPs, and in what zones.
2. The Economic Development Manager, in an ombudsman/assistance role, should be prepared to describe to a potential business the requirements, process and timeline for CUPs and be able to make suggestions on how to streamline the process.
3. Review with the Community Development Director the retail uses that require CUPs to determine if any can be revised to a shorter Administrative Conditional Use Permit or Permitted status. This will help to fill vacancies quicker.

#### **2.2.4 Prioritize Sales Tax Generators and Schedule Appropriate Business Calls**

In addition to filling vacancies, an economic development objective is to maintain and increase sales tax revenues generated by business in the City's economic centers.

1. Working with the City Finance department, track sales tax revenues for the major retailers on a quarterly basis to determine the health of such retailers.
2. Understand the current Campbell tenants generating the highest sales/use tax revenue for the City (sale tax contributors).<sup>39</sup>
3. Outreach, whether in person or by phone, to the highest sales/use tax generators at least once a year to understand how their business did for that year and what expectations are for the next year. This might best be done at the beginning of the fiscal year.
4. Meet with property managers or owners of the City's major retail centers (Pruneyard, Hamilton Plaza, Campbell Plaza, Kirkwood Plaza, Downtown, San Tomas Plaza, Campbell Plaza) at a minimum once a year. Ask centers managers about issues in their centers. Ask about any positive changes/opportunities occurring in their centers.

39 Source: City Finance Department maintains list, 2022-23 List included in Working Paper – Sales Tax.

5. It will be difficult to personally visit every retailer/commercial business in Campbell every year. Therefore, different methods to connect with businesses include:
  - Schedule and host a “coffee/tea get together” with the retail center managers once a year.
  - Have the center manager invite all that center’s businesses to a meeting each year.
  - Ask the businesses about their operations, the market, and any needs and opportunities.
  - Send a Campbell Retail/Commercial newsletter at least twice a year.
  - Use a newsletter to host a survey for businesses to respond to key questions, such as how the business is doing, potential problems or any opportunities. Include contact information for questions/issues.

### 2.2.5 Match Targeted Uses to Available Spaces

According to retail sources,<sup>40</sup> there are only three categories with unmet demand in Campbell<sup>41</sup> Retail – Groceries, Retail – Building Materials & Supplies and Services– Restaurants (family style and restaurants with bar service).

In **Figure 11: Unmet / Oversupplied Retail and Service Categories**, the Unmet Demand data is sourced from Placer.ai, a retail tracking service. The chart is plotted from a central point in Campbell’s Downtown with a 3-mile radius to calculate Unmet Demand. The first four categories are unmet demand categories, with the bar to the right showing the amount of unmet demand. All categories below Dimensional Lumber & Other Building Materials indicate that Campbell is over-supplied in those categories (bars to the left) represented by negative numbers (an indication that Campbell supplies businesses and residents from outside of this Campbell radius.)

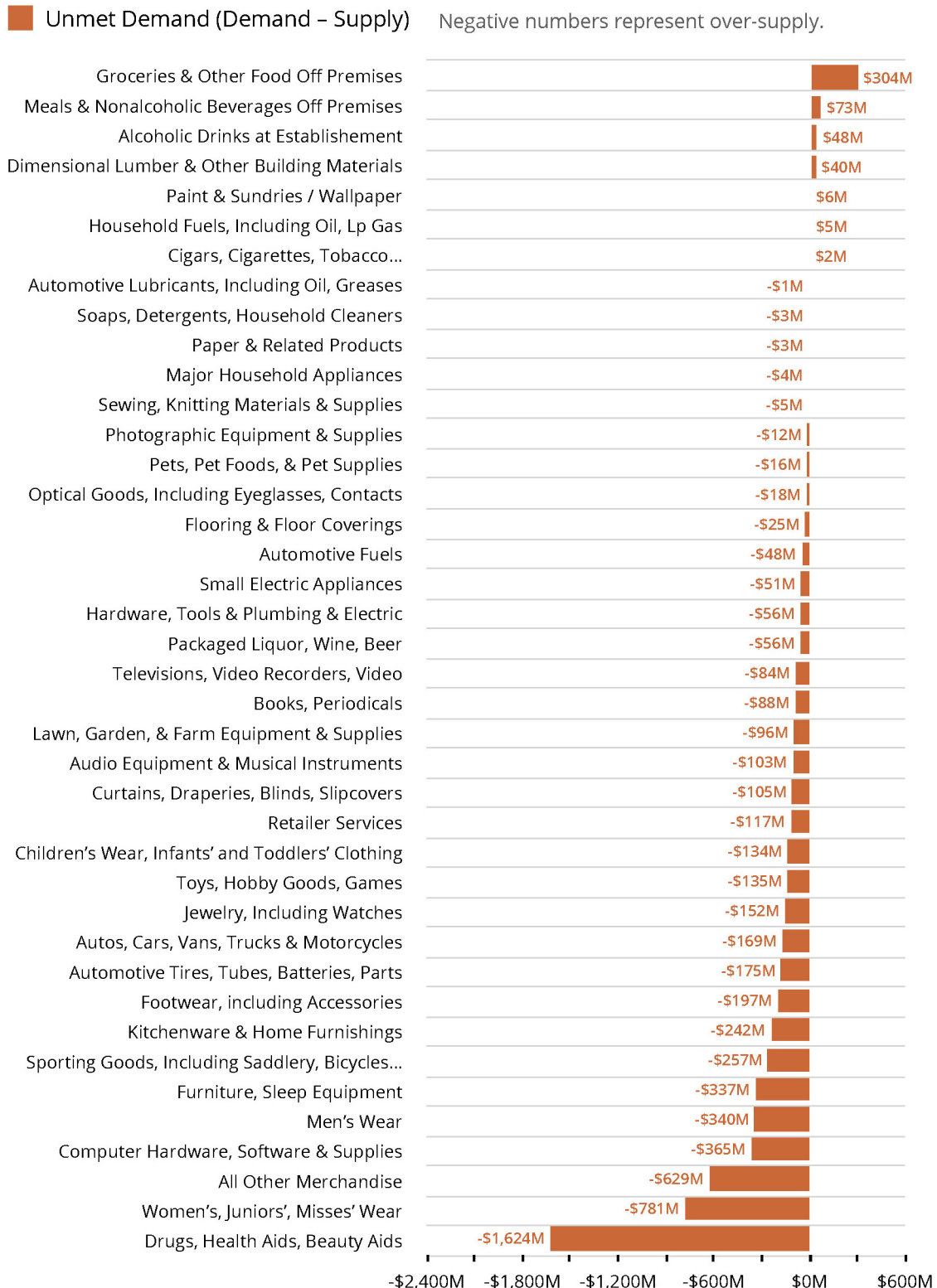
*Note: These reports indicate points in time using demographic and sales data and may often not completely reflect the actual market but are good indicators. However, it is important for the Economic Development Manager to do research on categories that show unmet demand.*

<sup>40</sup> [Placer.ai](#) is the major retail source calculating retail supply and demand.

<sup>41</sup> Source: Placer.ai, Data Run December 2023, 3-5-7 miles radius of Downtown Campbell.



**FIGURE 11: UNMET / OVERSUPPLIED RETAIL AND SERVICE CATEGORIES**



### ***Retail Vacancy – Business Tenant Targets***

See **Figure 12: Retail Vacancy – Business Tenant Targets** which shows the types of space requirements needed for the Unmet Demand Categories. Also included in the Retail Vacancy list is a current (First Quarter 2024) matching of available spaces to current active tenant uses. *Note: these spaces have not been evaluated for market-readiness, which should be done before marketing or business targeting.*

### ***Continued Research and Execution***

1. Identify specific retailers in Campbell that fall into these categories and schedule meetings to determine if there is opportunity for expansion.
2. Do research online for other similar retail tenants and emerging tenants. See **Research Examples**.
4. Identify size/space requirements for these retailers, and their preferred types of locations. Check vacancies in the Portfolio and outreach to listing brokers to determine if there are any other upcoming vacancies.
5. Use the economic development professional network (Silicon Valley Economic Development Alliance) to ask what types of tenants they see in their cities that are thriving and contributing to their sales tax base.
6. Utilize the International Council of Shopping Centers (ICSC) to access updated information on retailers and industry trends.
7. As part of continued research, work with the above resources to update annual data on unmet demand.

## FIGURE 12: RETAIL VACANCY – BUSINESS TENANT TARGET LIST

Retail/Commercial Vacancies. Filling retail and commercial spaces not only adds to the shopping diversity of the City, but it also contributes to sales tax revenue.

### Unmet Demand Business Categories

Challenging for Campbell, based on a Placer.ai<sup>42</sup> analysis, Campbell is over supplied in most retail categories. This is an indication of a regional trade area serving residents beyond Campbell.

To attract store(s) in these unmet categories the first step would be to identify building spaces that may fit a potential retail user assuming that user is seeking a new space, examples:

1. **Groceries:** Grocery stores require larger spaces, depending on the user. In Campbell there is currently one 15,000 square foot space and one 25,000 square foot space<sup>43</sup> The 15,000 square foot space could possibly be used for a grocery store. Currently Grocery Outlet is the only grocery store of that size that is active in the market. The space would need to be evaluated by the real estate broker representative or property owner before marketing or approaching a potential business about a location.
2. **Other Food Off Premises:** This term references convenience stores, or smaller deli type food vendors that prepare “food to go”. A convenience store could take a space similar to the former Denny’s, or another stand-alone space in the range of 3,400 square feet.
3. **Deli Type “Food to Go”:** Spaces could be in line, contiguous to neighboring tenants, under a single roof, or in a pad building. The typical space size is 1500-2500 square feet, of which Campbell has several.
4. **Meals and Non-alcoholic Off Premises:** Typically means “prepared food to go”. That concept does exist but is currently not active unless attached to a grocery store.
5. **Alcoholic Drink Establishments:** This use is excellent for Downtown however there are currently no spaces downtown being actively marketed for this use on the normal marketing platforms.
6. **Lumber and Other Building Materials:** This use needs larger spaces like Home Depot and requires large truck access. There currently are no spaces available in Campbell that meet this requirement.

42 Section II, Strategic Initiative 2.0, Action 2.2 Placer.ai Analysis of Unmet Demand/Oversupplied Categories

43 Space available, 15,000 and 25,000 square feet, as of February 2024.

## Current (2024) Targeted Active Tenant Use Matched to Campbell Spaces Currently on the Market

- Targeting retail businesses, different than targeting industrial and other uses, is best approached by matching space vacancies to retail uses. Retail businesses typically have a size range that best fits a category of retail. Below are the current (as of first quarter 2024) available retail spaces matched to retail tenant categories that are currently active in the market:

1. **970 W. Hamilton-4, 650 sf available.** This stand-alone building would be of high interest to *quick serve restaurants*, with or without a drive thru, *fitness* tenant and/or *salon suite* tenant
2. **515 E. Hamilton-15,000 sf and 25,000 sf available.** A *large fitness tenant* is the most likely target for the 25k space. *Pet supplies, entertainment (Kids Empire, Topsy Put), salon suite*, all are categories that range in the 15k sizes, but all are rent sensitive.
3. **423 E Hamilton-3,348 sf available.** Because of the size, this is best suited to *medical office, real estate office*, some type of *service office tenant*.
4. **130 E Hamilton-Gateway Square-3,632 sf available.** This center has a medical office, fitness, and restaurant, Fed Ex store along with the Walgreens drug store. The space will be challenging to demise smaller due to depth. At this size with a fitness business already located in the center, the best opportunity would be a *local restaurant tenant, or a national fast-food tenant that agrees to go here with no drive-through*.
5. **1581 W Campbell Ave-shop spaces and a 24,000-sf anchor space.** This size anchor typically would attract either *large fitness or grocery*. The shop spaces would most likely *attract food service tenants*.
6. **2591 S. Bascom Ave-1,137 sf available.** An inline small space like this would attract a *nail salon, or knitting store, or small independent service tenant*.
7. **2360 S. Bascom Ave-1,500 sf available.** The location of this space makes it hard to lease. The best possible categories would be small studio (*dance, martial arts*), *possible food*.
8. **2060 S. Bascom Ave-5,358 sf available-former Dennys.** This space could target *medical offices, possible breakfast restaurants, other food tenant*.
9. **2050 S Bascom Ave-1,100 sf available.** Former dry cleaner space. Any tenant would need to check environmental issues. Categories of possible tenants would be *dance, martial arts, knitting, possible housewares*.
10. **1875 S Bascom Ave-The Pruneyard.** There is 250,000 sf of retail in this center. Currently there is 4,515 sf available for lease on the ground floor within three small spaces, two of which cannot accommodate food. Food tenants are the most likely to pay the higher rent/nets for this location but cannot be accommodated due to utility shortages. Many retail tenant categories are in the center (often with exclusives as the only tenant of its category). Most likely tenants will be small, mom/pops. Possibly *crafts*, or small *personal services tenants*.

## 2.2.6 Implement Marketing to Attract New Retail Businesses

To address the challenge of changing perceptions of doing business in Campbell, the Economic Development Manager should send newsletters to all businesses and market influencers. Also, they should schedule personal meetings with individuals representing vacant spaces. Key messaging is “Campbell is changing the way it does business.” Other key tactics supporting this initiative include:

### 1. *Website*

- Add a page to the City’s website on the Retail/Commercial market in Campbell.
- Connect the Campbell Economic Centers Real Estate Portfolio to the website and update it at least quarterly. Make certain the portfolio links to broker flyers for vacant properties.
- Feature economic centers, properties, and businesses on the website.
- As projects are completed post “success” case studies.
- Feature zoning and permitting changes that shorten the time a tenant takes to get open for business in Campbell.

### 2. *Partner Organizations*

- Ensure organizations such as the Chamber of Commerce and the Downtown Campbell Business Association are included in the newsletters.
- Work with these organizations to ensure they are updated on all information regarding new retail/commercial businesses locating or expanding in Campbell.
- Ask these partner organizations to refer potential new businesses to the Economic Development Manager so he/she can help with the permitting process.

### 3. *City Inquiries*

- Create a process with City Hall to refer all inquiries to the Economic Development Manager.
- Create an internal process to make sure the Economic Development Manager is notified if any business is inquiring and applying for permits so that the Economic Development Manager can input contact information into the CRM system.

#### **4. *Marketing to Target Users***

- Prepare packets identifying specific spaces that would fit the target user.
- Send (by mail or email) packets to the target user with a copy to their respective brokers, if any.
- Schedule meetings at their offices.
- Attending ICSC regional marketing events and schedule appointments with desired retail targets that attend.
- Options – Many cities retain consulting firms that assist a city with matching spaces to target users (that may be looking for space), handling outreach and/or appointment setting to meet target businesses and represent the city (or attend with the City) at ICSC events where they can connect and network with target users.



## COUNCIL INQUIRY

### Exploring Opportunities for Growth & Development

At the December 5, 2023, Study Session, the City Council provided input and comment on two specific types of businesses they felt should be attracted to Campbell — Fitness and Bike Rentals.

#### 1. FITNESS

Fitness is currently a highly active tenant category in commercial space allocation. It is a commercial/retail category that requires an in person visit; therefore, it is immune to online shopping from a retailer's perspective. In Campbell, the Council has noticed many different fitness businesses in the City. Whether these tenants are large (Fitness 19) or small (Orangetheory) there could be a fitness and health theme to promote.

The fitness image could be built upon as a marketing tactic (noted in 4.0 Marketing & Promotions). However, as a retail target, there are no indicators of additional demand for more fitness operators.

If the City pursues a fitness theme, the ***Los Gatos Creek Trail & Riparian Corridor***<sup>44</sup> should be added as a key amenity for residents and visitors on the City's website. The Los Gatos Creek Trail & Riparian Corridor is not currently being marketed and it is not clear which department would handle the marketing.

44 The Los Gatos Creek Trail and Riparian Corridor offers recreational opportunities for walkers, joggers, bicyclists, skaters, non-motorized scooters and nature lovers. The trail passes through multi-jurisdictions and is operated by the Town of Los Gatos, County of Santa Clara Park Department, City of Campbell, and City of San Jose.

The trail is 10.7 miles and passes through a number of jurisdictions, basically from above Los Gatos Creek to the Bay, creating a network of regional trails and alternative transportation corridors.

The Los Gatos Creek is one of the few urban streams in Santa Clara Valley which remains relatively intact. It is both a riparian corridor for plants and wildlife and is part of an intricate system of water resources and flood protection. Water released from Lexington Reservoir flows to Vasona Lake where a system of gates at the dam releases water downstream to the percolation ponds at Los Gatos Creek County Park and Budd, Camden, McGlincy, Oka Lane, Page and Sunnyoaks ponds. Ultimately, the creek joins the Guadalupe River and flows northward to San Francisco Bay.

Access and parking are available; from Campbell Park on Los Gatos Creek at Campbell Avenue; from Los Gatos Creek County Park located on Dell and Hacienda Avenues, from Old Camden Ave., and from the westerly end of Campisi Way, north of Campbell Avenue. Additional access points are located at Camden Avenue/Highway 17 and Railway Avenue.



***Possible Action Steps:***

- This theme would best fit within the Visitor Strategy recommendation (Strategic Initiative 2.0, Action 2.5) partnering with organizations that can launch and manage marketing and promotions to the visitor market.
- Include the fitness theme on City website (Strategic Initiative 4.0, Council Inquiry).

Collaborate with outdoor focused nonprofit groups to leverage marketing opportunities (Strategic Initiative 2.0 & 4.0).

## **2. BIKE RENTALS**

A bike rental store was mentioned as a logical type of business that should be in Campbell, particularly if located near the Los Gatos Creek Trail & Riparian Corridor.

Initial research indicates the economics of operating a bike rental store is not likely to be profitable in Campbell without a high level of subsidy. Most bike rental agencies are in high traffic, high visitor locations like Lake Tahoe.

A viable option might be to partner with one of the hotels located near the Los Gatos Creek Trail & Riparian Corridor for a bike rental service to operate within the hotel (to reduce overhead for the bike rental service) during the summer months. This service can be available to other hotels in the City.

***Possible Action Steps:***

Include the action in the recommended Visitors Strategy. In the short term, engage hotels about potential interest in such a venture. The City's own Parks & Recreation Department might be interested in a venture with pop-up venues during special events around the trail.

Additional audience personas, profiles and marketing tactics are included in the Brand Story Strategy, a separate document.

## RESEARCH EXAMPLE

### FILLING SPACES, SALES TAX GENERATION BUSINESSES

Recruiting businesses that generate California sales tax is a strategic approach to enhance municipal revenue. For Campbell the process could focus on business types that not only contribute to sales tax revenue but also align with the community's character and local demand. Following are sample business targets with the caveat that the City must have available sites/spaces that meet the location requirements of these businesses:

#### **1. Restaurants and Eateries**

Full-service restaurants, cafes, and specialty food outlets, including those offering dine-in options where meals are taxable, can be significant contributors to the local economy and sales tax.

#### **2. Consumer Electronics and Appliances Stores**

These stores cater to the ongoing demand for the latest technology products and household appliances, which are subject to sales tax and have high transaction values.

#### **3. Automotive Dealerships**

The sale of vehicles, parts, and services is a major source of sales tax revenue. Targeting both new and used car dealerships can be lucrative (Assuming there was a qualified site/location in the City, these are highly sought after by cities.)

#### **4. Furniture and Home Decor Stores**

Large-ticket items like furniture contribute significantly to sales tax revenues. Including specialty stores that sell home decor can attract a diverse customer base looking to invest in home improvement.

#### **5. Sporting Goods and Recreation Stores**

Stores selling outdoor and sports equipment, bicycles, and fitness gear can capitalize on California's active lifestyle, contributing to sales tax while promoting health and wellness.

#### **6. Health and Beauty Stores**

Pharmacies, beauty supply stores, and wellness shops selling taxable goods such as cosmetics and personal care products can draw regular foot traffic and generate consistent sales tax revenue.

#### **7. Specialty Retailers**

Stores focusing on niche markets, such as outdoor gear for camping and hiking, craft supplies, or specialty foods and beverages (like wine and craft beer shops), can differentiate Campbell's retail landscape from neighboring areas.

#### **8. E-Commerce Fulfillment Centers**

While not traditional retail, having e-commerce businesses with physical fulfillment centers in Campbell can contribute to sales tax revenue, given California's rules on online sales and use tax.

## RESEARCH EXAMPLE

### FILLING SPACES, MATCHING SPACES TO POTENTIAL USES

A main objective of the Economic Plan is to fill vacant spaces in the commercial Economic Centers. In addition to targeting sale tax generation businesses for vacant spaces, another approach is to match spaces with potential uses that add to the diversification of the economic center(s) and Campbell.

Below is a sample of matching space to potential uses. Once uses are identified by City staff then there needs to be a second review to determine if there is potential market demand. The next step is to determine if the use is allowed in the space via zoning. Note this type of matching should only be conducted on buildings that are market ready.

**Building Scenario:** 5,000 square feet, 14-18' clear height, zoned commercial, street frontage, easy access. Several business concepts could thrive in such a space (assuming the zoning allows):

- 1. Fitness Center or Gym:** High ceilings are ideal for gym equipment, climbing walls, and other fitness activities.
- 2. Restaurant or Brewpub:** Ample space for kitchen equipment, dining area, and a bar. High ceilings can create a spacious atmosphere for patrons.
- 3. Art Gallery or Museum:** High ceilings are perfect for displaying large pieces of art or installations.
- 4. Boutique Market:** Specialty food markets can utilize the space for a variety of displays and aisles.
- 5. Co-Working Space:** With the rise of remote work, a co-working space could cater to freelancers, startups, and professionals looking for office amenities.
- 6. Furniture or Home Decor Store:** The square footage and ceiling height are great for displaying large furniture sets and home decor items.
- 7. Children's Indoor Play Area or Family Entertainment Center:** Can accommodate play structures, arcade games, and party rooms.
- 8. Educational Center or Workshop Space:** For classes, workshops, or seminars that require substantial space for participants and equipment.
- 9. Virtual Reality Arcade or eSports Arena:** A cutting-edge entertainment venue focusing on virtual reality experiences or eSports competitions. This could include VR gaming stations, VR escape rooms, and areas for hosting eSports tournaments, tapping into the growing market for digital entertainment.
- 10. Tech Hub or Showroom:** For technology companies to display products, host demos, or provide educational experiences about their offerings.

**Other potential uses for a space this size, which typically go into more industrial zoning could add to the diversity and new interest/consumers for the economic centers as a place, are:**

**13. Artisan Food Production Facility:** Capitalize on the national artisan and local food movement by setting up a facility that houses multiple small-scale food producers, such as craft breweries, specialty cheese makers, or gourmet chocolate manufacturers. The space could include shared kitchen facilities, a tasting room, and retail space.

**14. Sustainable Manufacturing or Upcycling Facility:** Locating a business that specializes in up-cycling materials is a popular trend. This could range from furniture made from reclaimed materials to eco-friendly fashion production, appealing to growing consumer interest in sustainability.

**15. Maker Space or DIY Workshop:**<sup>45</sup> Maker spaces or *Do It Yourself* (DIY) workshops where individuals can access tools, equipment, and space to work on projects ranging from woodworking and metalworking to electronics and robotics are popular (however they typically require subsidies to operate. (Some educational institutions such as a Community College offer space and training off campus). Workshops, classes, and membership options can provide revenue streams.

Filling the space would depend on market demand, investment capacity, and the vision of the entrepreneur or business.

<sup>45</sup> Makerspaces and DIY Workshops are unique spaces that can be private sponsored, in collaboration with universities or community colleague and often require funding subsidies from the public sector.

## ACTION 2.3 BUSINESSES – TRADED SECTOR

Balancing retaining and expanding existing traded sector businesses with the attraction of new small business manufacturers, green and energy (EV) businesses, and innovative enterprises is essential for fostering economic resilience, job creation, innovation, and environmental sustainability for the City.

Most traded sector businesses in Campbell are in the Dell and McGlincy area which are desirable locations for many small-medium size manufacturers and service providers – there are usually few vacancies in either area. These businesses, as a sector, are also significant tax generators for the City.



### CHALLENGES

The vacancy rate in the Dell-McGlincy area in previous years has been exceptionally low; however, this year 2024 vacancies have increased, which is consistent with the market trend and which is reflected in the decline of business & industry sales tax between 2022-2023 (Section I, Watch List). The challenges will be:

- Retaining the existing legacy industries that generate economic impact and contribute sales tax revenue,
- Addressing challenges those businesses are experiencing, and
- Tracking business growth to identify businesses that may be ripe for acquisition, consolidation or have outgrown the available space in Campbell.

An additional challenge will be maintaining unique affordable space for small new startup businesses. The City has no other industrial or business park space or land to expand or attract new businesses.



### CITY RESPONSE

The businesses located in the Dell-McGlincy areas generated the second highest volume overall of sales tax revenue for the City. The Economic Development Manager should initiate both consistent communication and personal outreach with these businesses as their ombudsman for issues and opportunities.

The City should have a strong “Existing Business Program,” including communications, outreach, and service (addressing needs). Taking care of existing businesses not only assists with creating competitive advantage, but it is also the best marketing tool for attracting emerging and innovative businesses promoting the City’s identity and character as a place to locate a business.

## STEPS FOR TRADED SECTOR BUSINESS RETENTION/ EXPANSION & EMERGING BUSINESS ATTRACTION



### 2.3.1 Customer Relations Management (CRM) Database

Owner/manager contact information for all businesses located in the Dell-McGlinchy area should be entered in the CRM. Classify businesses in CRM for easy segmenting for promotions. The Economic Development Manager should define the classification that works best for tracking. The following could be used:

<b>LEGACY</b>	Those businesses with historic strengths that hold potential for growth (new technologies/innovations) but could face less market demand or regulatory changes that shift the market.
<b>LEADING</b>	Those that are currently robust and growing with potential for future growth and wealth creation.
<b>EMERGING</b>	Those businesses that hold great potential to diversify the local economy and fuel innovation (small business and entrepreneurs).
<b>SUPPORTING</b>	Those business that are integral in providing goods and services (supply chain) to these growth businesses.

### 2.3.2 Map businesses

Identify and map the location of all businesses located in the Dell-McGlinchy areas by street. This would be a natural addition to the Real Estate Portfolio.

### 2.3.3 Key Businesses

Initiate outreach with the top ten key businesses as ranked by number of employees and sales tax generation.

1. Introduce the purpose of the Campbell Existing Business Program (also referred to as Business Retention / Expansion Program (BRE).
2. Ask questions about their business – how they are doing after COVID, how was 2023, what does 2024 look like and what new plans do they have in the future? (such as, selling, new CEO being brought in, etc.)
3. Ask questions about the current location – what is working, what may not be working?
4. Ask questions around the use of technology in their businesses – are there technologies that could make the business more efficient, profitable, scalable (operations, sales, production, communications) and are there suppliers or customers that may be looking to expand and need space.
5. Ask questions related to responses received during 2023 business survey – business challenges in recruiting employees, unhoused, vandalism, trash, and recycling services.
6. Ask questions about additional space needs for the future.
7. Ask three additional questions (if time available):
  - Would they participate/lead invite other businesses in Dell-McGlinchy area to business roundtables focused on “doing business” and the health of the industrial areas?
  - What would be their reaction if Dell-McGlinchy area was recognized as a unique industrial district in Campbell with a district name and creating gateways to distinguish these areas of legacy and emerging industries?  
*(This task is linked to 2.3.5)*
  - What other businesses should City staff be meeting with?



### 2.3.4 Circle Back with Responses

It is important to circle back with these key businesses within two weeks on any questions or issues they had and how their participation could be used to outreach to other businesses.

### 2.3.5 Recognize Dell-McGlinchy as a District

Dell-McGlinchy has an existing reputation as a location for small, startup businesses. This area could be Campbell's anchor as a "small business hub."

As part of Placemaking,<sup>46</sup> recognize these industrial areas as a unique and distinct district in Campbell:

- Consider renaming the district something like ***Silicon Alley***.
- Consider creating distinctive gateways that mark the transition into the industrial area.
- Consider architectural elements, signage, wayfinding and/or public art to make bold and memorable statements.
- Consider creative lighting designs to enhance the nighttime aesthetics of the industrial area.
- Address issues identified by businesses in the district and implement opportunities to enhance the district:
  - Challenges shared by stakeholders include trash and recycling, safety, homelessness, parking, recruiting employees, limited flex & R/D space.
  - Opportunities to add amenities to the district include places to eat, sit down, walk-in or food trucks; small walk-in medical.
- Promote and recognize the district's legacy businesses, the district's organic small-business startup incubation ecosystem and celebrate the heritage of these areas which could foster community pride and attract customers to the businesses (and other emerging industries/businesses).
- Depending on the interest of the key businesses in Dell-McGlinchy areas, using their response as bellwether of all businesses, decide whether to move forward in recognizing these two areas as a unique district.

46 Pillar III Aspirational, Strategic Initiative 5.0.

- If the businesses and property owners want improvements or marketing of the district, they could consider forming a Property Based Improvement District (PBID), see Pillar III, Strategic Initiative 5.0.

Transitioning and recognizing the Dell-McGlinchy area as an industrial-oriented small business district focused on diverse sectors from technology, manufacturing and emerging industries to creative industries and food production will create a hub of innovation, collaboration, and economic growth, providing infrastructure, support, and a sense of community for small businesses.

### 2.3.6 Communications

Effective communication fosters collaboration, supports economic growth, and ensures that the needs and concerns of industrial businesses are understood and addressed.

- To open communications with businesses in Dell-McGlinchy district, start with a survey to identify challenges the businesses may be experiencing (areas already identified – workforce, homelessness, trash, and recycling services).
- With information from the survey, launch a newsletter specifically for businesses in the Dell-McGlinchy district.
- Feature and showcase businesses in the district on the Economic Development web page.
- Promote success stories on all media platforms.
- Organize networking events that connect businesses with each other and with potential partners.



# SILICON ALLEY

DELL & MCGLINCY DISTRICT

CITY OF CAMPBELL



## The Future of Green Tech for Campbell

Green Tech's establishment in McGlinchy Business Park promises significant economic advantages for the city. High-paying jobs in renewable energy and sustainable technologies would increase local spending power and boost the economy. This sector typically offers salaries above the average due to the specialized skills required, directly benefiting the city's workforce and local businesses.

Moreover, the presence of a Green Tech industry would substantially enhance the city's tax revenue. Property, business, and ancillary taxes generated from this industry would provide a much-needed financial influx. This additional revenue could be reinvested in public services and infrastructure, fostering a cycle of economic growth and sustainability, and positioning the city as a leader in environmental responsibility and innovation.



## Bright Future for PhotoValic

"Embrace a brighter, sustainable future with PhotoVoltaic technology, powering progress and prosperity in our communities through clean, renewable energy."

**Benefits of PV:**

- Job Creation
- Economic Stimulus
- Tax Revenue
- Sustainability Image

## Artificial Intelligence, Bring Real Profits

AI-driven companies specializing in coding and software development can significantly increase a city's tax base by attracting high-skilled talent, fostering high-paying jobs, and stimulating economic growth through innovation and technology leadership. [READ MORE](#)







### 2.3.7 Host Roundtables

Facilitate industry-specific roundtable discussions to encourage collaboration and knowledge-sharing.

### 2.3.8 Traded Sector Target Industries

Campbell's Dell and McGlinchey are valued areas in the Silicon Valley for manufacturing and light industrial businesses. This area offers the opportunity to build on traded sector industries where Campbell has a strength in production:

1. Professional, Scientific and Technical Services – 2022 GRP \$1.3 billion
2. Manufacturing and Advanced Manufacturing – 2022 GRP \$1.0 billion
3. Information Technology & Services – 2022 GRP \$492.0 million
4. Construction Supplies & Services – 2022 GRP \$423.0 million (this sector has the best potential for sales tax generation)

*See Figure 13: Traded Sector Target List*

### 2.3.9 Emerging Business Attraction

Due to the limited space availability for locating new businesses, the Economic Development Manager should focus efforts on retaining and expanding existing businesses. However, the Economic Development Manager should understand what new industries and businesses are emerging and understand their business and space requirements (Action 1.4 Research). The following five emerging industries are "Targets" for Campbell (assuming there is potential matching space — these are fits for typical spaces in the Dell-McGlinchey district and some could even locate in office space, depending on cost model for the business):

1. Artificial Intelligence and Machine Learning
2. Robotics and Automation
3. Virtual and Augmented Reality
4. Autonomous Vehicles and Transportation
5. E-commerce and Online Marketplaces

*See Figure 14: Emerging Industry Target List*

## FIGURE 13: TRADED SECTOR TARGET LIST

### TRADED PRIMARY SECTOR & SUBSECTOR LIST

This target list represents industries where Campbell has existing strengths to create industry clustering by expanding, attracting and diversifying the clusters.

**1. The Professional, Scientific, and Technical Services Sector** encompasses a broad range of industries, reflecting the region's diverse and innovative economic landscape. Key subsectors within this category include:

- **Information Technology Services** includes companies that provide information technology (IT) consulting, data processing, cloud computing services, and software development. Silicon Valley is renowned for its cutting-edge IT solutions and services.
- **Engineering Services** includes companies providing engineering services, including civil, mechanical, electrical, and environmental engineering, and plays a crucial role in supporting technology product development.
- **Software Development and Programming** includes companies specializing in creating, maintaining, and publishing software across various platforms, including enterprise solutions, mobile applications, and cloud-based services.

**2. The Information Sector** encompasses a broad range of segments that reflect technological innovation and digital economy. These subsectors include:

- **Software and Mobile App Development** includes companies that develop, market, and distribute software products, including operating systems, applications, and databases.
- **Data Processing, Hosting, and Related Services** include companies that provide infrastructure for hosting, data processing services, and cloud computing services.
- **Telecommunications** includes providers of voice and data services, internet service providers (ISPs), and companies offering wireless and satellite communications.
- **Social Media and Networking Platforms** are companies that operate platforms for social networking, content sharing, and community building online.

- **Computer Systems Design and Related Services** includes businesses that offer IT consulting, systems integration, and custom computer programming services.
- **Cybersecurity and Data Protection** include businesses specializing in securing computer systems, networks, and data from cyber threats, as well as providing services related to data privacy and compliance with regulatory standards.
- **Big Data Analytics** includes companies focused on analyzing large volumes of data to extract insights, trends, and patterns, aiding decision-making processes in businesses and organizations.

**3. The Manufacturing & Advanced Manufacturing Sector** is characterized by the integration of innovative technologies and processes to improve products and manufacturing operations. The industry subsectors are diverse.

- **Electronic Components and Equipment** companies produce sophisticated electronic components, including printed circuit boards (PCBs), sensors, connectors, and displays used in a wide range of industries from consumer electronics to automotive and aerospace.
- **Medical Devices and Equipment** includes the design and manufacture of medical technology products, such as diagnostic equipment, surgical instruments, wearable health devices, and other medical electronics that incorporate advanced manufacturing techniques.
- **Clean Technology and Energy Systems** are companies focused on the production of clean energy equipment, such as solar panels, wind turbines, and battery storage systems, utilizing advanced materials and manufacturing processes.
- **3D Printing and Additive Manufacturing** are businesses that utilize 3D printing technologies to create components and products for various industries, including aerospace, healthcare, and consumer goods, allowing for rapid prototyping and custom manufacturing.
- **Advanced Materials** are companies involved in the development and production of advanced materials, such as composites, high-performance alloys, and nanomaterials, which are critical for various high-tech manufacturing applications.
- **Computer and Peripheral Equipment Manufacturing** includes companies manufacturing computers, servers, and related peripherals.
- **Industrial Machinery and Automation Equipment Manufacturing** includes companies producing machinery and equipment used in various manufacturing

processes, including robotics and automation solutions that enhance productivity and efficiency.

**4. The Construction Supplier sector** is included as Campbell has a niche strength in the sector and suppliers have the highest likelihood of creating sales tax for the City.

The Construction Supplier Sector is an essential part of the construction industry's ecosystem, ensuring that contractors and builders have access to high-quality materials, equipment, and services. Campbell has a small niche in this sector and could target suppliers matched to spaces. There is a diverse range of suppliers:

- Building Materials Suppliers
- Construction Equipment Suppliers
- Electrical and Plumbing Supplies
- HVAC Systems Suppliers
- Finishing Materials Suppliers
- Landscaping Suppliers
- Safety Equipment Suppliers
- Specialty Suppliers

## FIGURE 14: EMERGING BUSINESS TARGET LIST

Emerging businesses are companies typically in the initial stages of their development, often characterized by rapid growth and innovation. These companies are typically in the process of moving from a startup phase to becoming established market players. They are defined by their novel approaches to products, services, markets, or technologies, and they often fill new or underserved niches.

There are five emerging industry targets that fit Campbell particularly in the Dell and McGlincy area. However, some, depending on their stage of development and particularly operations/functions, could locate in office space, depending on the cost model for the business.

1. **Artificial Intelligence and Machine Learning:** Companies are developing AI-driven applications, algorithms, and technologies across various industries. Silicon Valley is in the forefront of these advancements and new business formations.
2. **Robotics and Automation:** Companies are developing robotic systems for manufacturing, logistics, healthcare, and other applications. Automation technologies are reshaping industries and improving efficiency.
3. **Virtual and Augmented Reality:** Virtual reality (VR) and augmented reality (AR) technologies find applications in gaming, education, healthcare, and enterprise solutions.
4. **Autonomous Vehicles and Transportation:** Development of autonomous and electric vehicles (AV-EV) is growing, companies are working on self-driving car technology, as well as solutions for autonomous drones and other modes of transportation. There are already a few EV technology businesses in the Dell Avenue area.
5. **E-commerce and Online Marketplaces:** Companies in this sector focus on creating innovative platforms for online retail, digital marketplaces, and logistics solutions (not warehousing).



### 2.3.10 Marketing to Traded Sector & Emerging Targets

The Economic Development Manager should “soft” market to these emerging industries, and others as identified, utilizing the newsletter focused on traded sector businesses. With frequent distribution of the newsletter to existing businesses, ensuring there is at least one article on emerging industries, awareness will be generated that Campbell is an excellent location for emerging industries.

**Key Marketing Vehicles:** Newsletter and LinkedIn.

**Target Audiences:** Emerging Industries List, Brokers, Venture Capital and Angel Investor Firms, Trade Associations.

**Business Case:** Prepare a value proposition package for inquiries focusing on *Why Campbell* versus any other location highlighting the benefits of locating in Campbell or the Dell-McGlinchy District.

**Direct Marketing:** Utilizing a Campbell Business Case, schedule personal meetings with industrial brokers, venture capital firms (focus on clean tech and small emerging business) to present Campbell’s interest in attracting these types of businesses.

#### VALUE PROPOSITION FACTORS FOR NEW BUSINESS LOCATIONS

- Labor Availability
- Available Skilled Labor
- Space Availability
- Broadband
- Highway Accessibility
- Expedited Permitting
- Training Programs



## COUNCIL INQUIRY

### Exploring Opportunities for Growth & Development

At the December 5, 2023, Council Study Session the City Council expressed interest in the opportunities for businesses in electric vehicles, clean tech, electric and renewable energy sources.

#### Electric Vehicles, Renewable Energy Sources, Zero Emission Based Industries

The specific industry type was identified by the Council and is included in the emerging industry fit for Campbell (See Task 2.3.8, this section).

The push towards zero-emission and sustainable industries has been a growing global trend, driven by environmental concerns, regulatory changes, and increasing awareness of climate change by private and public sector. There will continue to be new emerging technologies and businesses due to this trend.

The electric vehicle (EV) market is expanding and diversifying in various EV technology, parts, and accessories, each with specific needs depending on the stage of business, production process and market opportunity:

- Battery Technology & Manufacturing
- Charging Infrastructure
- Electric Drive Components
- Vehicle Conversion Kits
- Software and Connectivity Parts and Accessories
- Energy Storage Solutions
- Vehicle-to-Grid
- Materials and Component Suppliers
- Second-Life Applications for EV Batteries

Attracting and supporting businesses with a focus on zero-emission, whether creating or implementing new technologies, should involve collaboration between the public and private sectors regarding opportunities, regulations, and policy frameworks. Creating a thriving ecosystem of green businesses is an initiative with multiple facets of opportunities and challenges that would need to be mapped.

### ***City Readiness for Emerging Business Opportunities***

The following may help strengthen the City's readiness for being in the path of emerging industries creating new and innovative technologies and products:

- For the City, the Dell and McGlincy economic center are unique assets in the region for new business startups and emerging tech firms that need space to develop and commercialize new ideas. A range of space could be maintained in these centers to support businesses through various stages of growth. Because these areas are developed, the City should be ready to facilitate redevelopment and modifications of existing buildings. (links to Action 2.3 Traded Sector, Dell-McGlincy as a District).
- The EV industry is highly regulated, as well as other emerging businesses requiring assistance with market strategy development, regulatory compliance, intellectual property protection and funding. Having a person or entity which can proactively assist these businesses to access this type of assistance (technology development, labs, counseling, legal, funding, which is available through various organizations in Santa Clara County) would add to the City's competitive advantage for emerging industries to consider Campbell (Strategic Initiative 3.0, Action 3.2).
- Staying updated on industry developments and policy changes will be important (Action 1.4).

Additional audience personas, profiles and marketing tactics are included in the Brand Story Strategy for these emerging businesses (a separate document).

## ACTION 2.4 BUSINESSES – OFFICE

Nationally the office market has not recovered from the pandemic. This is due to employees wanting to continue “working from home.” While most companies are requiring employees to be back in the office three days a week, the lack of a five-day-a-week office occupancy has reduced the overall amount of space needed for many companies. Most companies are still working out their optimum space needs. From all current indications this office trend of high vacancy rates will continue for the next few years.



### CHALLENGES

As of June of 2023, office vacancies (combined Class A, B and C) in Campbell hit a 30% vacancy. The potential reuse of office space is still being evaluated throughout the country but has proven to be challenging and often financially unfeasible. Current City zoning and/or general plan land use designations may also limit potential reuse opportunities, all of which will need to be investigated.



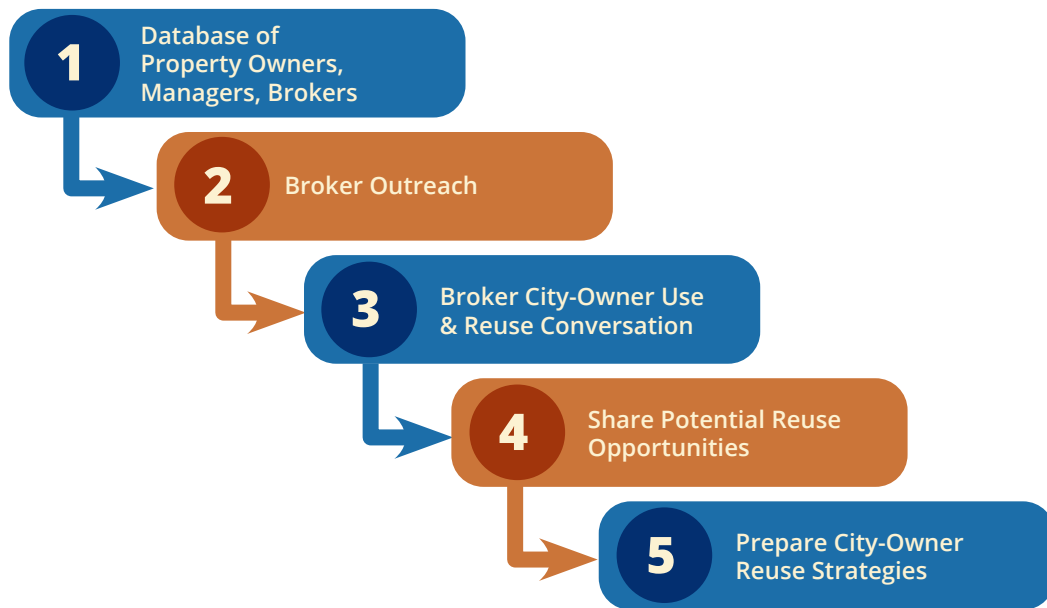
### CITY RESPONSE

Because the office vacancy is a national-global trend beyond the control of property owners and managers, there are also limited solutions for the City in reducing vacancy. The suggestions include:

- Focus economic development work on identifying office properties with high vacancies, and outreach to the owners and representatives.
- Understand the nature and reason for vacant office inventory.
- Ask the owners, property managers and brokers about any reuse opportunities.

The challenge will remain that any office change will take an enormous amount of investment from the property owner to effect the change that will make the space more competitive in the office leasing environment.

## STEPS TO FILLING VACANT OFFICE SPACE



### 2.4.1 CRM Database

Enter into the CRM database the names and contact information for owners, managers and brokers representing the key office vacancies in the buildings listed below: (vacancies as of April 2023)

- Hamilton Plaza Tower I & II,
- The Pruneyard Offices,
- 1700 Dell (new),
- Creekside Office Park.

As other office spaces are vacated their appropriate information should be entered into the CRM system.

## 2.4.2 Class B & C Office Space – Housing Potential

Class B and C office space is the easiest to convert to residential, based on the floor size of the building, age of the buildings and location of such office space.<sup>47</sup>

1. Working with Community Development and Housing, prepare a detailed comparison of the updated Housing Element, and the locations of vacant Class B and C office spaces.
2. If a parcel is designated for housing per the updated Housing Element and there is a vacant Class B or Class C building on it, the Community Development Department, the Housing Manager, and the Economic Development Manager should meet with the building owners to discuss possible conversion.<sup>48</sup>

## 2.4.3 Physically Obsolete Office Buildings

Over 75% of the office vacancies in Campbell are located within the four Class A buildings listed above. A determination needs to be made as to whether any of these Class A buildings have become obsolete based on what today's office tenant demands for amenities. Those that appear to fall into the obsolescence category should be identified for future redevelopment as an office but with upgraded amenities, or for a different use.

1. Collaborating with brokers, managers and/or owners, determine the reasons for the high vacancies in each building.
  - Is there an obsolescence issue because the building needs improvements?
  - Are spaces vacant due to the general malaise of the market?
  - What are the owners plans for finding tenants or reusing the building?
2. Determine the obsolescence of the buildings with the highest vacancies.
  - Work with property owners and or property managers to identify sites with an obsolescence issue.
  - After identifying the sites with obsolescence, prioritize the sites that are in opportunity zones.
  - Work with the City's building department and the property owners/managers to identify and cost (if possible) the items that need code updates.

<sup>47</sup> Source: Tom Cox, founder, and partner TCA Associates- a mixed use architecture firm in Oakland.

<sup>48</sup> The City may want to initiate an economic impact study to estimate the loss of sales tax revenue from commercial properties with retail converting to residential.

3. Is it financially feasible for the property owner to upgrade their property?
  - In many cases, the property owner has no ability to fund the needed code or amenities updates. If this is the case, it needs to be noted in the Economic Development Manager's CRM database.
  - The Economic Development Manager should look at what other cities in the state are doing to find ways to fund needed building upgrades. Once a list of options has been determined, the Economic Development Manager should present the information to the Community Development Department to determine if any are possible for Campbell.

#### 2.4.4 Broker Outreach

1. Work with the listing brokers of the all the office buildings ready for new tenants to stay apprised of office tenant interest. The better located office buildings (relative to the freeway interchanges and mass transit) are more attractive to regional tech, venture capital and other Silicon Valley uses so it is key to form close knit relationships with the listing brokers and property owners/managers.
2. Promote all the vacant office buildings to local tenant-representing brokers. Being aware of the types of tenants and what they are looking for in a building will allow the Economic Development Manager to be effective in their outreach by forming a beneficial relationship with both listing and tenant representing office brokers. These relationships will more than likely produce beneficial outcomes for the City.

#### 2.4.5 Reuse Options being Tested in the Market

There are a variety of conversion concepts that are being explored across the country. Below is a brief list and summary of types of conversions. One or more of these concepts could be utilized to help convert some of Campbell's office buildings. Based on the location and type of office building some types of conversion may be more plausible and financially feasible than others.

- **Co-Working Spaces.** While this might have been an option in previous years, after the pandemic, with the filing of bankruptcy for WeWork, this conversion option holds less potential due to the massive number of spaces already in the trade area. But analysis should be given to determine if there is a need in Campbell.

- **Mixed Use Developments.** Deleting the second floor in an office building, creating a higher-than-normal ground floor ceiling, reduces the vacant space and offers a retail space that is more desirable and leasable (although it does reduce the leasable square feet so an owner would only agree to this if they had tried all other leasing steps). In most office corridors in Campbell, mixed-use zoning has been approved, although a property owner will need to check with the City to see what is allowed.
- **Boutique Hotels.** Especially in Campbell's prime locations, office buildings can be transformed into boutique hotels or even short-term rental spaces for platforms like Airbnb.
- **Educational Institutions.** Repurposing office spaces for schools, colleges or training centers is an option, if the zoning allows. After checking with the City regarding the zoning, an owner could investigate leasing to educational institutions, although the lease rates will be lower than what the office building was able to rent prior to the pandemic.
- **Health and Wellness Centers.** There is a strong demand from "soft" retail uses like yoga studios, wellness centers, and sometimes even fitness (depending upon the type) for 2nd or 3rd level office buildings. Sometimes office buildings can provide the parking that these types of uses need. Retail centers often have exclusives that disallow this type of use due to parking restrictions required by anchor tenants.
- **Data Centers.** With the increasing demand for cloud storage and digital services, a property owner should investigate the possibility of adding the infrastructure needed to support a data center.
- **Urban Farms.** Innovative agricultural businesses can turn office space into indoor farms using hydroponic or aquaponic systems. This type of use should be examined for feasibility.
- **Medical Facilities.** As healthcare services continue to decentralize, office buildings can be repurposed into outpatient clinics, diagnostic centers, or other medical facilities. Contacting a broker who specializes in medical office tenants can help an owner undertake the feasibility analysis.
- **Event Venues.** Open spaces with high ceilings, or top floors with views (Pruneyard Towers) can be converted into event spaces for corporate events/weddings or other gatherings, especially when there are nearby amenities (like at the Pruneyard) to access before or after the event.



#### 2.4.6 Reuse Feasibility & Plan

When identifying reuse opportunities, it is important to remain aware of the expense it will take to convert a space into another use. Property owners and tenants may be apprehensive to convert their space as a result. If the City were highly interested in filling vacancies, whether it be through conversion or simply finding a tenant, typically an incentive (such as reducing fees) could be offered.

To aid this, the City could be proactive and select two or three key buildings and have a **Reuse Feasibility** commissioned in partnership with the owner or developer to determine the best alternative use. Fiscal analysis must be done for each separate site to determine its possibility for conversion. If there were a feasible alternative use further conversations should follow.

#### **Example: REPURPOSING OFFICE SPACE FOR AGRICULTURE**



Calgary, Alberta (Canada) AgriPlay Ventures transformed part of an underutilized office space in Calgary Tower Center into one of Canada's largest indoor urban farms earlier this year...office spaces already provide an ideal environment for growing food, since they are already air conditioned, heated and well ventilated. Not many modifications have to be made to the buildings themselves.

AgriPlay provides hardware that uses artificial intelligence to convert and install custom, plug-and-play modular growth systems. Its scalable installation model was designed specifically to fit into existing office real estate spaces, and it doesn't require prior knowledge of farming. When executed

correctly, vertical farming can yield as much produce as traditional farming methods in urban areas and smaller space. Additionally, vertical farmers gain the added benefit of consistent, year-round production without the uncertainties of climate or pests, all while utilizing 90 percent less energy and 98 percent less water than a transitional farm."



## COUNCIL INQUIRY

### Exploring Opportunities for Growth & Development

At the December 5, 2023, Council Study Session the City Council expressed interest in the status of the Campbell Technology Park which currently has high vacancy.

#### Campbell Technology Park

The industrial/R&D space in Campbell has a relatively low vacancy rate. This property, Campbell Technology Park, is zoned industrial/R&D but has more of an office configuration than industrial. Property findings:

1. **Location Deterrent.** The location is not as convenient as other business park locations, as a number of turns from any freeway exit are required and it is not conducive to truck traffic.
2. **Housing Overlay Designation.** A large portion of the site is designated as future housing in the Housing Element. The property currently has a housing application submitted indicating an intent for a change of use.

Additional audience personas, profiles and marketing tactics are included in the Brand Story Strategy, a separate document.

## ACTION 2.5 VISITOR & HOSPITALITY SECTOR

At the December 5, 2023, City Council Study Session, the Council expressed interest in tourism and the Visitor Market. Not known as a destination, Campbell has assets, attributes, events, and performances that attract visitors from other communities, such as the Farmers' Market and Oktoberfest. Campbell could also leverage other events, such as major events at Levi Stadium and other major venues in the surrounding area, to attract visitors. Showcasing Campbell's small town community spirit and passion could attract a visitor market that wants to be immersed in everything that makes Campbell and the people that live there feel special.



### CHALLENGES

Visitor attraction requires a dynamic and multifaceted management approach. Currently there is no dedicated visitor's bureau, center, manager, or strategy. Current visitor attraction is organic through various organization promotions, not a purposeful plan.



### CITY RESPONSE

Before embarking on a visitor attraction program, a Visitor & Hospitality Strategy should be created. Campbell has assets, attributes and several entities that could/should engage in the preparation of a strategy and collaborate to cohesively launch and manage such a strategy.<sup>49</sup>

The following outlines a process for organizing and preparing a Visitor & Hospitality Strategy and is intricately linked with Pillar II Collaborative, *Strategic Initiative 3.0 Strengthen & Leverage Capacity & Resources*.

<sup>49</sup> At December 5, 2023 Study Session Council expressed interest in enhancing opportunities in the Visitor Sector. Preparing a visitor strategy as part of the economic development was beyond the scope of this plan which is focused on economic development efforts – retail, office and traded sector. Preparing a Visitor & Hospitality Strategy is recommended in this section and includes actions and tactics to engage those key stakeholders in creating a specific and separate strategy focused on the visitor market.

### 2.5.1 Engage Stakeholders

Several entities are already involved in visitor marketing, including the City with the Recreation & Community Services Department, Downtown Campbell Business Association, Chamber of Commerce, and other entities in the arts, outdoors, transportation and education. It is important to engage the hotels in forming a group that will be preparing a strategy. Start with roundtables to begin the conversation on the opportunity of growing the visitor market.

### 2.5.2 Identify a Champion

Identify an organization, entity, department, or agency that is willing to be the Champion to move this initiative forward, organizing and calling meetings and setting milestones for the stakeholders to accomplish.

### 2.5.3 Prepare a Visitor Assets Inventory

List and evaluate the existing assets, what is the current draw/usage, and what is the potential growth and target audience for marketing and attracting (*Figure 15: Starting a Campbell Visitor Asset List*).

**FIGURE 15: STARTING A CAMPBELL VISITOR ASSET LIST**

<p><b>PARKS</b></p> <p>Ainsley Park</p> <p>Campbell Park</p> <p>Campbell Dog Park</p> <p>Community Garden</p> <p>Edith Morley Park</p> <p>Gomes Park</p> <p>Hacienda / Winchester Percolation Ponds</p> <p>Hyde Park</p> <p>Jack Fischer Park</p> <p>John D. Morgan Park</p> <p>Los Gatos Creek County Dog Park</p> <p>Orchard City Green</p> <p>Stojanovich Family Park</p> <p>Virginia Park</p> <p>City of Campbell Park &amp; Recreation Master Plan</p>	<p><b>TRAILS</b></p> <p>Los Gatos Creek Trail &amp; Riparian Corridor (10.7 miles)</p> <ul style="list-style-type: none"><li>■ Passes through multiple jurisdictions from mountains to Bay.</li><li>■ Wildlife, salmon and beavers return to creek habitat. Beaver Cameras.</li><li>■ Camden Loop</li><li>■ Camden Ponds</li><li>■ Downtown Campbell Camden Loop</li><li>■ Farmers' market Loop</li></ul> <p>Campbell Park Trail (3 miles)</p> <p>Perc Ponds – several percolation ponds off Winchester Blvd. San Tomas Expressway and Los Gatos Creek Trail, offer seasonal fishing.</p>
<p><b>MUSEUMS</b></p> <p>Heritage Museum</p> <p>Ainsley House</p> <p>Campbell Library Renovation</p>	<p><b>CAMPBELL COMMUNITY CENTER</b></p> <p>(managed by Rec Department)</p> <p>All-weather track (lit at night)</p> <p>Stadium and bleachers</p> <p>Fitness zone</p> <p>Skate park</p> <p>4 tennis courts (lit at night)</p> <p>3 handball courts (lit at night)</p> <p>Various meeting rooms and gyms</p> <p>Fitness center</p> <p>Year-round heated pool</p> <p>Picnic table (no BBQs)</p>

<b>EVENTS</b>	<b>CITY</b> Farmers' market (operated by thrid party vendor)	<b>DCBA</b> First Friday Street entertainment Second Saturday Street Entertainment + Pop-up Shopping Annual Bunnies and Bonnets Easter Parade Spring Wine Walk in Downtown Campbell Fall Wine Walk in Downtown Campbell Historic Downtown Car Show Creepy Crawly Halloween Trick-or-Treat Carol of Lights Celebration in Campbell
	<b>RECREATION DEPT.</b> Valentine Fun Run/Walk	
	<b>CHAMBER OF COMMERCE</b> Boogie Campbell Music Festival Campbell Oktoberfest Oktoberfest Fun Run/Walk Annual Celebrate Campbell honors "Heroes of Campbell"	
<b>ENTERTAINMENT, DINING, SHOPPING</b> Heritage Theatre <ul style="list-style-type: none"> <li>▪ Music events</li> <li>▪ Live performances</li> <li>▪ Dance performances</li> </ul> Pruneyard Cinema <ul style="list-style-type: none"> <li>▪ Restaurants</li> <li>▪ Bars</li> <li>▪ Retail</li> <li>▪ Services</li> </ul> Downtown <ul style="list-style-type: none"> <li>▪ Dining</li> <li>▪ Retail</li> </ul>		<b>RETAIL AREAS</b> Downtown Pruneyard Hamilton Plaza Kirkwood Plaza San Tomas Plaza Campbell Plaza
		<b>PLACES TO VISIT / EXPERIENCE</b> Montebello Road Vintage Wares General Store The Mosaic Gardens Travieso Winery The Olive Bar Bottle & Botega

It's important to include assets outside of Campbell that can be leveraged for Campbell to grow the visitor market, such as Levi Stadium and other major venues that attract visitors to the region, public transportation and proximity to universities.

#### 2.5.4 Preparing a Strategy

A visitor strategy could be prepared by a consultant with visitor/tourism experience or completed by a Visitor Task Force or the Champion engaging stakeholders. Elements of a Visitor Strategy include:

1. Visitor Infrastructure (facilities, accommodations, transportation)
2. Assets (local attraction, events, cultural and outdoor experiences)
3. Leveraged Assets (outside city)
4. Current Market Usage
5. New Attractions (build market)
6. Destination Marketing (marketing plan utilizing online and offline channels)
7. Visitor Services (information centers and online resources to provide helpful information to the visitor)
8. Hospitality Training (training programs to enhance customer service)
9. Public Safety & Cleanliness
10. Collaborations with Local Businesses
11. Community Involvement (to build support)

The California Office of Tourism,<sup>50</sup> Silicon Valley Central Chamber & Visitors Bureau and the San Jose Convention & Visitor Bureau could be excellent resources for assisting in developing a visitor strategy.

Create a variety of activities and events to draw diverse visitors

#### **KICKSTARTING A FLOW OF TOURISTS**

- Culture & Arts
- Music Festival
- Sporting Event
- Film Festival
- Vintage Car Show
- Performances
- Food Festivals
- Not-So-Typical Events
- Art in Unusual Spaces
- Human Foosball Tournament
- Escape Room Challenge
- Underground Film Festival
- Dance Party Flash Mob
- Trashion Show
- Silent Disco
- Retro Game Night
- Zombie Beer Walk

50 Visit California, Regional Strategic Tourism Plans, <https://industry.visitcalifornia.com/partner-opportunities/programs/regional-planning>.

### 2.5.5 Tourism Business Improvement Districts (TBID)

Tourism Business Improvement Districts (TBID) are a way to fund destination marketing programs. A TBID is typically run by local businesses that collaborate and invest collectively to support the growth and development of their visitor attraction efforts. TBID are similar to Property Business Improvement Districts (PBID) formed under California's Property and Business Improvement District Law of 1994. Most TBIDs are funded through hotels that add 1-2% to the Transient Occupancy Tax (TOT). This may not be an option for Campbell as the TOT is currently at 12% — 2% higher than San Jose — and with fewer hotels in Campbell, but stakeholders may be interested in investigating.

### 2.5.6 Website

For visitor promotion, the website is critical. Currently, on the City's website there is no page dedicated to visitors coming to Campbell. The page needs to be attractive to visitors to visually see the exciting places and experiences they could have in Campbell — enticing photos and helpful content about why they should visit and experience Campbell.

### 2.5.7 Marketing

As part of strategy development, a marketing plan should be created. In this Economic Development Plan, *Pillar II Collaborative, Strategic Initiative 4.0, Council Inquiry - Audiences Beyond Economic Development* there are several marketing suggestions for the Visitor Audience and the Fitness & Outdoor Enthusiast.

Additional ideas for promoting Campbell to both potential and current visitors include:

#### 1. Digital and Physical Marketing Tactics:

- ❑ **Social Media Channels:**  
Leverage platforms like Instagram, Facebook, and Nextdoor to showcase Campbell's attractions and events.
- ❑ **Dedicated Section on City Website:**  
Create a visitor-focused area on the website, providing essential information, highlights, and updates.
- ❑ **Public Relations Efforts:**  
Limited yet strategic PR efforts can lead to features in travel blogs, local news, and tourism websites.



- **Electronic Billboards and Monument Signs:**  
Consider using electronic billboards at City gateways to dynamically display current events and attractions. The City would need to work with CBS or other billboard companies to install and lease media space. This can be a cost-effective way to leverage messaging to incoming traffic and potential visitors that can see messaging on major traffic routes.
- **Improved Wayfinding Signage:**  
Enhance signage throughout the City to guide visitors to various attractions and areas seamlessly. *See Pillar III, Aspirational, Placemaking Wayfinding.*

## **2. Content Ideas for Promotion:**

- **Experience Our Unique Trails:**  
Highlight the scenic beauty and accessibility of Campbell's outdoor trails.
- **Dog-Friendly City:**  
Promote the city's pet-friendly spaces and amenities.
- **The Pruneyard, Downtown and Unique shopping centers across Campbell:**  
Showcase the shopping, dining, and cultural experiences available in these areas.
- **Events by Chamber, DCBA, and Rec Department:**  
Highlight events hosted downtown, in the Pruneyard, and venues like the Heritage Theatre.
- **Recreational Opportunities:**  
Emphasize "Fit City" initiatives and outdoor activities available in Campbell.
- **Renowned Farmers' market:**  
Feature the popular Farmers' market, a significant draw for locals and visitors alike.
- **Revitalize Music in Campbell:**  
Showcase and promote all music related events, venues, pop-up events, downtown concerts to build upon what was once one of Campbell's top billings.

### 2.5.8 Hotels

The 2040 General Plan, *Economic Development Element ED-5.b* action objective is to identify possible sites for new hotels, particularly at sites near the freeway corridors and transportation. The best opportunities may be “reuse” of an existing building that can be configured to a boutique hotel where parking could be minimized and a project could be fast-tracked. The City should pursue necessary modifications to development regulations that may limit the types of hotels desired in those areas.

A new hotel would require 1.5-2.0 acres, which could be a pad in an old center where a building is demolished and rebuilt. Currently, the hotel market and financing for hotels is difficult. Occupancy levels in Campbell over the last few years have been 60-65%. The transient occupancy tax (TOT) has continued to lag since the pandemic.



#### COUNCIL INQUIRY

##### **Exploring Opportunities for Growth & Development**

At the December 5, 2023, Study Session, the City Council provided input on the importance of the Los Gatos Creek Trail & Riparian Corridor<sup>51</sup> as an asset and amenity.

The Los Gatos Creek Trail & Riparian Corridor, as well as the full trail network and riparian corridor assets, should be incorporated into the Visitor & Hospitality Strategy and be a key element to promote. The trail is not currently promoted by the City and is not on the City's website (except to download a map). It is not promoted as an asset for visitors or residents.<sup>52</sup> As part of the County Trails Master Plan, it appears (from the website) that a lead is needed to promote this asset for Campbell.

Additional recommendations for trail promotion and fitness enthusiasts are included in *Pillar I, Foundational, Strategic Initiative 2.0, Action 2.2 Retail* and in *Pillar II Collaborative, Strategic Initiative 4.0, Council Inquiry - Audiences Beyond Economic Development*.

Additional audience personas, profiles and marketing tactics are included in the *Brand Story Strategy*, a separate document.

<sup>51</sup> See footnote 44, page 96.

<sup>52</sup> February 2024, during a City meeting with a Dell Avenue business, the company's senior staff noted their use and appreciation of the Los Gatos Creek Trail & Riparian Corridor.

## VISITOR STRATEGY SPECIFIC EVENTS EXAMPLE

### SUPER BOWL 2026

Plan a multifaceted strategy that highlights unique offerings and convenience. Strategies and actions that could be considered:

#### 1. Develop Comprehensive Event Packages

- **Bundled Offers:** Create packages that include hotel stays, dinner reservations, and special events in Campbell. Collaborate with local businesses to offer discounts or special promotions.
- **Tailgating Experiences:** Partner with local venues and parking areas to offer pre-booked tailgating spots, including amenities like catering services from local restaurants or food trucks.

#### 2. Enhance Local Transportation and Accessibility

- **Rail Transportation Promotions:** Work with Santa Clara Valley Transportation Authority to offer discounted or special Super Bowl rail passes for the duration of the event, ensuring easy access to and from Campbell.
- **Local Shuttle Services:** If there are local shuttle service businesses, establish dedicated shuttle services between Campbell, Levi's Stadium, and key transportation hubs to facilitate easy movement for visitors.

#### 3. Leverage Digital Marketing and Social Media

- **Targeted Advertising:** Use social media and online advertising to target potential Super Bowl goers, showcasing Campbell's offerings and event packages.
- **Engaging Content:** Share engaging content about Campbell's attractions, dining, and events, including testimonials from previous visitors and highlights of the city's preparations for the Super Bowl.

#### 4. Capitalize on Local Attractions

- **Promote Local Events:** Organize and promote local events leading up to and during the Super Bowl, such as live music, cultural festivals, or sports-related activities, to attract visitors.
- **Highlight Dining and Shopping:** Market Campbell's dining scene and shopping areas as ideal destinations for Super Bowl goers looking for unique experiences outside the game.

## 5. Collaborate with Hotels and Restaurants

- **Special Offers:** Encourage hotels and restaurants to create special offers for Super Bowl goers, such as themed dinners, welcome packages, and extended happy hours.
- **Availability and Booking:** Ensure that there is clear information about hotel room availability and easy booking options for visitors planning their trip.

## 6. Community Engagement and Volunteer Programs

- **Volunteer Ambassadors:** Train local volunteers as ambassadors to provide information, assistance, and a warm welcome to visitors, enhancing their overall experience.
- **Community Decor and Spirit:** Encourage the community to decorate and show support for the Super Bowl, creating a festive and welcoming atmosphere.

## 7. Partnerships and Sponsorships

- **Event Sponsorships:** Seek sponsorships or partnerships with brands and companies involved in the Super Bowl, to co-host events or promotions.
- **Leverage Local Businesses:** Work with local businesses for cross-promotion opportunities, such as souvenir shops offering Super Bowl memorabilia.

## 8. Test Run

- Test the strategies during the 2024-25 season for special games, rivals or other events.

By implementing strategies such as these, the City of Campbell can position itself as a vibrant, accessible destination for Super Bowl 2026 goers, enhancing their experience while driving local economic benefits.

# PILLAR II: COLLABORATIVE

**Pillar II Collaborative** actions and tasks focus on initiatives that support economic development activities in Pillar I but require collaboration with and support from other departments and entities to effectively implement.

Pillar II Collaborative Initiatives, actions, and tasks, although important and adding dimension to the economic development efforts, City Economic Development does not, at this time, have the capacity or resources to achieve launching and managing these initiatives.

There are City departments and other organizations, entities, and agencies that could collaborate and take the lead on one of more of these initiatives, assuming they had the capacity and resources to achieve shared objectives around these initiatives.

The two strategic initiatives in Pillar II Collaborative incorporate market opportunities as well as projects the City Council expressed interest in at the December 5, 2023, Study Session.

1. **Strengthen & Leverage Resources** includes potential actions with key entities that would enhance and diversify economic development efforts, strengthen public-private partnerships, and encourage broader community engagement, as well as expand the potential for accessing various funding sources, including grants, private investments, and joint funding arrangements.
2. **Marketing & Promotions** includes additional economic development marketing beyond the foundational direct business and business influencer marketing and outreach outlined in Pillar 1 Foundational initiatives, actions, and tasks (those are a priority for economic development). Marketing tactics included here in Action 4.0 require assistance and support from other departments and units within the City, working with the Economic Development Manager.

Collaborating with entities, organizations, agencies outside the City is a strategic approach that empowers the City to pool resources, expertise, and networks, fostering a more robust and sustainable economic development program. This will result in creating a stronger economic impact and increasing revenues for the City.

## Strategic Initiative 3.0 – Strengthen & Leverage Resources

The City of Campbell has great resources within the various City departments and with entities, organizations, and agencies, both nonprofit, public, and private, where collaborating on initiatives leverages expertise and resources while achieving shared objectives.

By engaging external entities in the implementation and management of economic development efforts, not only are partnerships strengthened and resources leveraged, but opportunities are not missed due to lack of capacity. There are also compelling reasons why external entities would want to partner with the City on economic development initiatives. Effective collaborations with a shared roadmap can be mutually beneficial, supporting the economic growth and prosperity of both the entity and the City.



### CHALLENGES

Departments and outside entities, organizations and agencies may also have limited capacity and resources to participate in initiatives without some additional funding and/or human resources, such as:

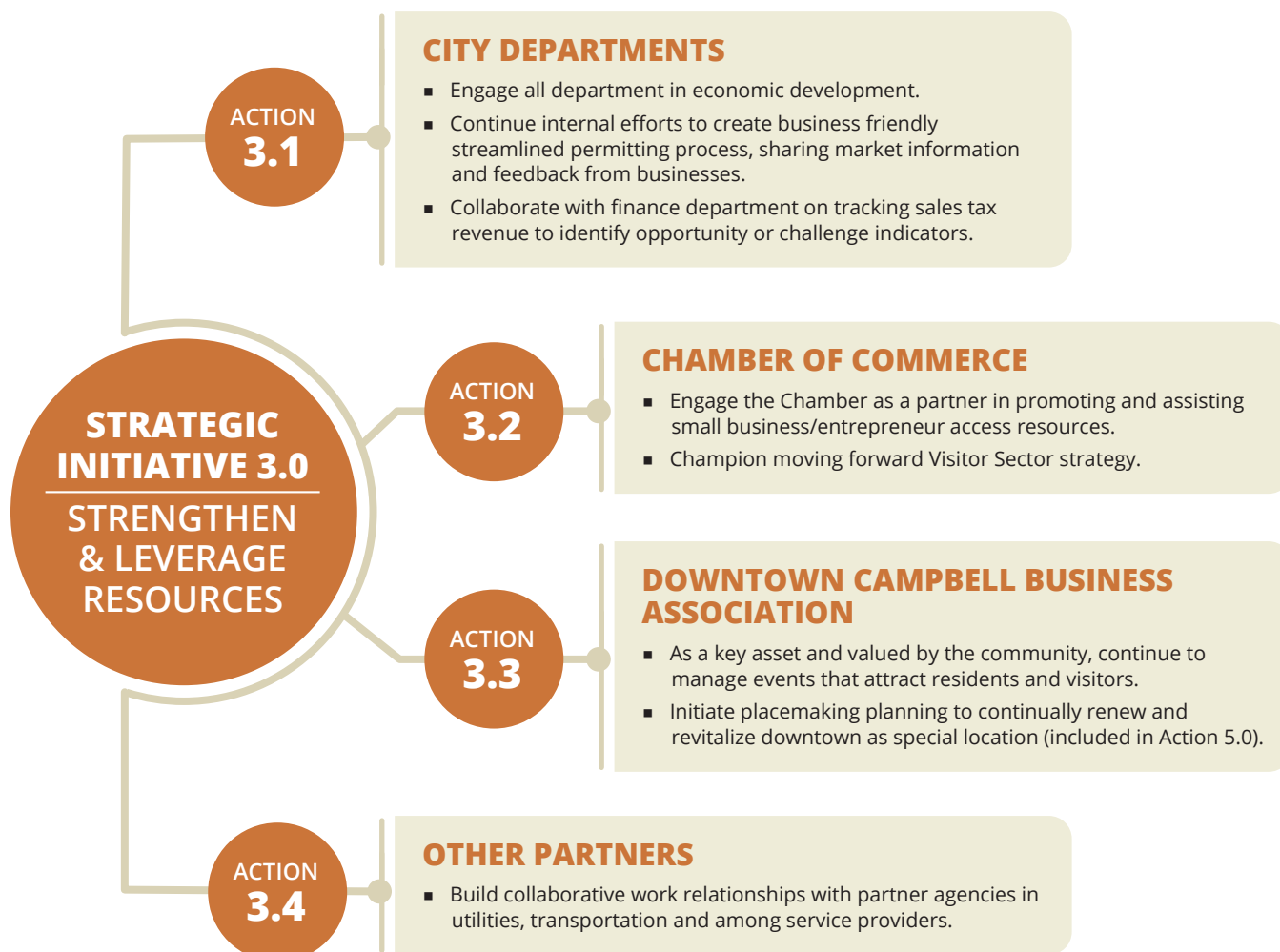
- City staff focusing on City marketing, social media and website could assist, if time is available, with broader marketing than the focused efforts of the Economic Development Manager (linked to changing perceptions, communicating with residents and businesses and broader marketing about the City of Campbell).
- The Council expressed the trail network as a unique asset which currently is not promoted but potentially could be incorporated within City's Recreation & Community Service Department marketing (linked to assets, quality community and visitor strategy).
- Chambers of Commerce can play a pivotal role in a community as the point of contact for start-up, small business assistance and access to resources, as well as visitor center (linked to visitor strategy development).
- Events have a profound impact on the image of a community, shaping perceptions both internally among residents and externally among visitors, potential investors, and broader audiences. Campbell's events, mostly those of the Downtown Campbell Business Association and the Chamber, were highlighted throughout stakeholders' meetings as assets. The challenge may be how these events — or new events — can be sustainable in the future.



## CITY RESPONSE

Leveraging resources and capacity for economic development initiatives with other City Departments, organizations, and entities, should start with individual informational meetings on the purpose of the Strategic Initiatives and specific actions where there are common mission, goals and benefits. These should review the purpose, objective and expected outcomes and the importance of each entity's contribution and the potential impact of working together.

These meetings would move to actionable steps, resources needed, roles, responsibilities, and timelines.



The following outlines opportunities where the City can strengthen collaborations with City departments, entities, organizations, and agencies to enhance and expand economic development efforts in areas where the City has limited capacity to implement and manage.

### **ACTION 3.1 CITY DEPARTMENTS**

Economic development is part of everyone's role within a city, directly or indirectly. It is important to have a sense of collective ownership of the City's economic growth.

- The Economic Development Manager could form a cross-functional team including community development, planning, communications, and finance to meet once a month for updates, information sharing, coordinated efforts, identification of areas to enhance competitiveness and share insights.
- Share with departments and front-line staff that early notification to the Economic Development Manager of business inquiries — such as business licenses, inquiries on permitting, calls for services — will help activate and give creditability to the ombudsman role.
- Economic Development should support Community Development by identifying specific commercial challenges in opening a business in Campbell, new emerging uses for commercial spaces, and types of business desired to create forward thinking actions that could create competitive advantage for Campbell.
  - This task is tied closely to “creating business friendly, streamlined processes.” This may require hiring a consultant to focus on a list of commercial uses with an identified list of challenges encountered in Campbell when expanding or locating. With that information Community Development and Planning could identify actions needed to resolve those issues. This task should also identify new and emerging businesses compatible with Campbell and recommend visionary changes to make Campbell more competitive. This is a policy item.
- The support of those handling social media and City website would enhance and broaden economic development messaging.
- The Finance Department should share updated business license data to ensure the Economic Development Manager has current existing business contact information.
- Notify the Economic Development Manager when new business licenses are applied for and issued and when new businesses contact a department.
- Schedule meetings with the Finance Department to track and monitor sales and property tax revenue, economic centers, and specific businesses.



## ACTION 3.2 CHAMBER OF COMMERCE

The Chamber of Commerce (Chamber) is a great resource for the City and businesses within the City. The Chamber, as a nonprofit representing business, is in the perfect position to showcase and assist Campbell's predominantly small business community. However, the Chamber also has limited resources and staff to implement and manage new initiatives. Discussions should be held to find ways the Chamber can lead efforts that benefit the chamber, businesses, and the City.

### 3.2.1 Tools and Resources

The Chamber could enhance available tools and resources to assist the businesses with marketing and promoting their products and services to the community and broader audiences:

- A tool created during the pandemic encourages and helps communities support local businesses. Support-Local brings together neighborhood shopping with an online tool, sort of a local Esty. It is an easy tool to set up for marketing local business products, entrepreneurs, local makers, and businesses. The work is getting the local businesses to participate. The Chamber could work with existing businesses to populate the tool. For examples, see <https://support-local.com/about/>.<sup>53</sup>
- Resources4Business is another adaptive tool that can be integrated on the Chamber's website but is maintained by Resources4Business.info to keep the website updated and robust. <https://www.resources4business.info/>



53 Support-Local online web-based tool is currently used in several states and the following cities in California: Mountain View, Chico, and Vacaville.

- Creating collaboration with the Silicon Valley Small Business Development Center (SBDC) could leverage the Chamber's connection with businesses. The SBDC network is funded by the State of California to serve regional areas. The SBDC, like other organizations, was not as active with outreach and workshops during the pandemic but is quickly returning to assisting with one-on-one counseling and key workshops. The Silicon Valley SBDC has partnerships with Small Business Administration (SBA), San Jose State University Research Foundation (which could be leveraged to provide access for emerging businesses) as well as venture funds. The Chamber would need to meet with the Silicon Valley SBDC to see how Campbell businesses and a partnership with Chamber can be best facilitated. <https://www.svsbdc.org/>
- The Chamber could also collaborate with the Peninsula, San Jose Renaissance Entrepreneurship Center ([www.rencenter.org](http://www.rencenter.org)), serving all of Santa Clara County, to engage the organization in work with startups offering access to funding, legal assistance, and market access.

### 3.2.2 Promoting Small Business & Entrepreneurship

The Chamber is in the perfect position to support and advocate for small business and entrepreneurship. Campbell's businesses are mainly small businesses, but the City has the distinction of also having long-standing successful small businesses, with most starting in Campbell and staying. *Theme: Plant Your Business Roots Here.*

The Chamber could leverage its Executive Director's experience to teach entrepreneurship. Programs targeted for young entrepreneurs in Campbell could be initiated which would grow future entrepreneurs and businesses. The objective would be to start with something simple and easy to implement:

1. Lemonade Day is a national day about teaching kids — through action — about entrepreneurship. It is an experiential program teaching youths to start, own and operate their very own lemonade stand which the community gets behind annually to support. Possibly the City's Recreation & Community Services Department could also participate in implementing and managing this program. <https://lemonadeday.org/>
2. To continue focusing on entrepreneurship for Campbell's youths, a more extensive program such as <https://www.campbizsmart.org/> to inspire young entrepreneurs, is a program with which the current Chamber Executive Director has experience.



### 3.2.3 Visitor Sector

Chambers are well positioned to manage visitor strategies and serve as visitor centers. The Chamber could take the lead in implementing Strategic Initiative 2.0 Building Economic Vitality, Action: 2.5 Visitor & Hospitality.

The Chamber has had an interest in bringing back a music scene in the Downtown, which is also an interest of the City. Creating a music scene could be incorporated in the visitor strategy.

The Chamber could launch a project to start engaging and connecting the community, residents, and businesses around Campbell's unique and distinctive assets that should be showcased to the community and visitors.

## ENGAGING& CONNECTING COMMUNITY

**Program:** “Capture Campbell: A Celebration of Local Talent and Businesses”

**Objective:** To engage and showcase local artisans, photographers, videographers, and businesses through a creative contest that highlights the vibrant culture, food, art, and events in Campbell.

**Outcome:** Let visitors know about the remarkable things that make Campbell an incredible place.

### Contest Themes:

- Gastronomic Delights: Capturing the essence of local cuisine and restaurants.
- Artistic Expressions: Featuring local art, craft, and cultural artifacts.
- Musical Rhythms: Showcasing local music scenes, from street performers to concerts.
- Market Days: Highlighting the vibrancy of farmers’ markets and local trade.
- Community Events: Documenting community gatherings, festivals, and celebrations.
- Outdoor Adventure: Highlight all the great running, hiking, biking trails. Parks and recreation areas.
- Pet Portraits: Who has the best looking, funniest, most loyal pet on the planet...or just Campbell.

### Contest Categories:

- Photography Contest
- Videography Contest (30-second videos)

### Participation Criteria:

- Open to all residents and artisans.
- Participants must be amateurs or semi-professionals in photography or videography.
- Content must be original and shot within the Campbell area.

**Prizes:**

- 1st Prize: Gift certificates from top local restaurants and businesses.
- 2nd Prize: Smaller denomination gift certificates.
- 3rd Prize: Promotional items from the Chamber and participating businesses.
- People's Choice Award: Special recognition and a feature on the Chamber's website.

**Promotion:**

- Social Media Campaigns: Utilizing platforms like Instagram, Facebook, and Twitter for contest announcements and updates.
- Local Media Partnerships: Engaging local newspapers, radio stations, and TV channels for wider coverage.
- Collaboration with Schools and Universities: To encourage participation among students.
- Email Newsletters: Regular updates to Chamber members and community subscribers.
- Flyers and Posters: In strategic locations like community centers, libraries, and participating businesses.

**Submission Guidelines:**

- Submission via a dedicated online portal on the Chamber's website.
- Clear labeling of category and theme for each submission.
- Brief description or story behind each submission.

**Judging Criteria:**

- Creativity and originality.
- Relevance to the chosen theme.
- Technical proficiency.

**Rights and Usage:**

- Participants retain ownership of their work but grant the Chamber and the City rights to use the images/videos for promotional purposes, with credit to the creators.

### **ACTION 3.3 DOWNTOWN CAMPBELL BUSINESS ASSOCIATION (DCBA)**

DCBA, a volunteer nonprofit focused on promoting Downtown, is a valuable resource for the City and economic development. DCBA has a great social media platform marketing Downtown, which has more followers than any other Campbell social media channels. DCBA also produces various events that attract several thousand residents and visitors to downtown. This social media exposure and the events are key in creating Campbell's positive organic and experiential image.

In addition to building a positive experiential image, the events create significant impact. On average, the events produced by DCBA generate between \$500,000 to \$750,000 in direct and indirect economic impact<sup>54</sup> for the community.

#### **ECONOMIC IMPACT OF DCBA EVENTS**

Each DCBA event generates on average between \$500,000 to \$750,000 in direct and indirect economic impact — a total annual economic impact of \$1.7 million to \$3.5 million for the Campbell community.

#### **3.3.1 Social media marketing and the events**

Social media marketing and the events are important for continuing to build Campbell's experiential image and drawing visitors. It is key to maintaining Campbell's small town feel and character. This should not be lost. Always at risk with a fully volunteer association is their ability to continue to produce quality events and maintain a social presence. Assistance in creating long-term sustainability of these events would be beneficial.

#### **3.3.2 Downtown is one of Campbell's key assets**

Downtown was the number one asset mentioned during interviews and business surveys — it is an iconic landmark. Ensuring that the Downtown remains vibrant and continually refreshed involves a combination of strategic planning, community engagement, and adaptive management. Pillar III, Aspirational, Action 5.1.1 recommends using the Urban Land Institute for a Technical Assistance Program to assess Downtown and recommend placemaking opportunities to ensure Downtown is continually refreshed as a unique destination.

54 Economic Impact Model, Dr. Robert Eyler, Economist.



## **ACTION 3.4 OTHER PARTNERS**

Collaboration between the City and various agencies, including utilities, transportation, and service providers, is crucial for effective planning, development, competitive advantage, removing or mitigating challenges, and overall community well-being.

### **3.4.1 Build collaborative working relationships**

Schedule regular meetings with City representatives from utilities, transportation, and service providers to discuss ongoing and upcoming projects, share updates, and identify areas for collaboration.



#### **COUNCIL INQUIRY**

##### **Exploring Opportunities for Growth & Development**

At the December 5, 2023, Council Study Session the City Council expressed interest in reviving its musical heritage. Below is a multifaceted approach that could be done in partnership with the Chamber of Commerce.

Recreating a vibrant music scene in Campbell would involve a multifaceted approach that leverages local talent, venues, and cultural enthusiasm:

#### **1. Community Engagement and Research**

- Conduct surveys or community meetings to gauge interest in different music genres and types of events. Understanding what the community wants can guide planning efforts.
- Identify local musicians, bands, and music educators who can become the backbone of the revived music scene.

#### **2. Partnership Development**

- Collaborate with local businesses, schools, the Chamber of Commerce, and the Campbell Downtown Business Association to support and sponsor music events.
- Partner with local venues, restaurants, cafes, and bars to host live music nights, offering promotions and incentives if necessary to encourage participation.

### **3. *Event Planning and Promotion***

- Organize a signature music festival or event that can serve as a launchpad for the music scene. Consider an annual, seasonal, or monthly music event that draws both local and regional audiences.
- Promote events through local media, social media, and community newsletters to build anticipation and attendance.

### **4. *Music Education and Youth Engagement***

- Collaborate with schools and music teachers to support music education and create opportunities for young musicians to perform and engage with the community.
- Organize workshops, masterclasses, and music camps to nurture local talent and foster a love for music among young residents.

### **5. *Creating Performance Opportunities***

- Establish regular music nights or open mic events at local venues to provide consistent performance opportunities for local artists.
- Consider pedestrianizing certain areas or utilizing public parks and spaces for outdoor concerts and performances, especially during warmer months.

### **6. *Fostering a Music Community***

- Create an online platform or social media groups for Campbell's music community to share events, collaborate, and communicate.
- Encourage the formation of music collectives or cooperatives that can advocate for local artists and negotiate better opportunities for performances and events.

### **7. *Incentivizing Local Businesses***

- Encourage local businesses to support the music scene through sponsorships, hosting events, or hiring musicians for special occasions.

### **8. *Leveraging Local Media***

- Work with local newspapers, radio stations, and online media to feature local music events, artist profiles, and music-related news.
- Create a dedicated music event calendar that is easily accessible to the public and regularly updated.

### **9. *Sustainability and Growth***

- Evaluate the impact of music events and initiatives through feedback surveys and community input to continuously adapt and improve the music scene.
- Consider establishing a music council or committee within city government or the chamber of commerce dedicated to sustaining and growing Campbell's music scene.

### **10. *Building a Unique Identity***

- Develop a unique brand or identity for Campbell's music scene that reflects its history, culture, and aspirations. This can help in marketing efforts and create a sense of pride and ownership among residents.



## Strategic Initiative 4.0 – Marketing & Promotions

Marketing for economic development can highlight the City's welcoming atmosphere for businesses, its foundation in small business entrepreneurship, and the creation of legacy enterprises that bring forth new and innovative concepts. Additionally, it serves to accentuate Campbell's quaint small-town appeal and charm.



### CHALLENGES

The Economic Development Unit of the City of Campbell has limited staff which should be dedicated to the actions and tasks outlined in Strategic Initiatives 1.0 and 2.0. The Economic Development Manager should focus outreach efforts on key audiences – brokers, existing and target businesses, those audiences with potential investment or expansion projects that fill vacancies and create economic impact.

The Economic Development Manager needs support for additional economic development marketing, promotions and research beyond direct communication and outreach with decision-makers. The Economic Development Manager currently does not have time to implement a broader audience scope of marketing and promotion.



### CITY RESPONSE

The City, in the future, could broaden the narrow economic development focus to other audiences to leverage marketing and promotions in collaboration with other City departments and organizations, such as City Manager's Office, Community Development Department, Chamber of Commerce, Downtown Campbell Business Association, and other nonprofits. Implementing "broader audience" campaigns would require expanded effort, capacity and resources however collaborating on marketing messages and campaigns can be a strategic and efficient approach, even with limited resources.

## STRATEGIC INITIATIVE 4.0 MARKETING & PROMOTIONS

### ACTION 4.1

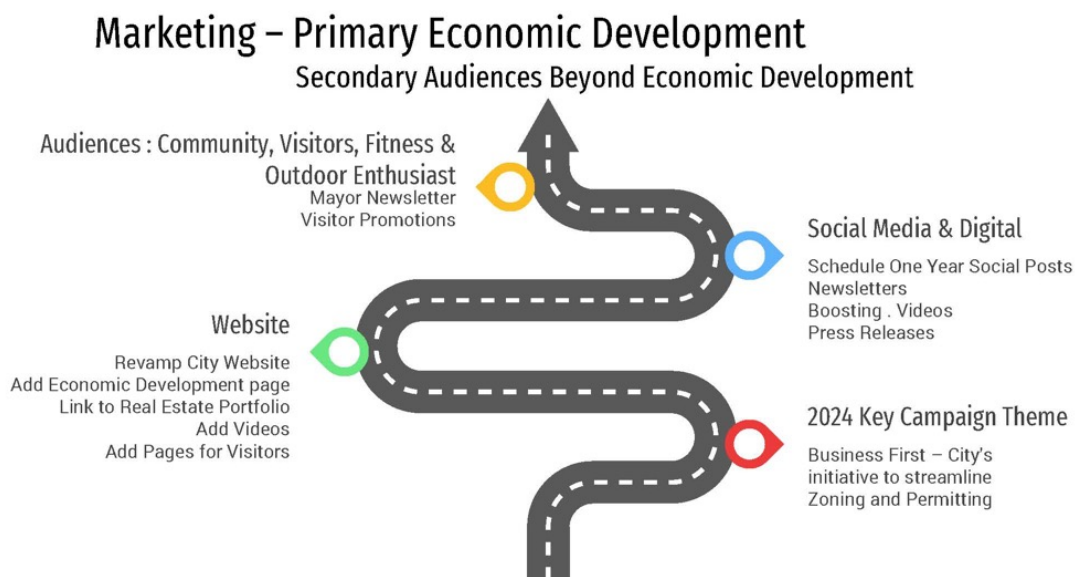
#### ECONOMIC DEVELOPMENT MARKETING

- This action includes marketing tactics that go beyond the focused communications and outreach of the Economic Development Manager to a broader audience and more formalized themes.
- Provide assistance and resources to update the Economic Development page of the City website and to post more focused social media.
- Consider other marketing tactics that go beyond the economic development focused audience to spread messaging and promotions.

## ACTION 4.1 ECONOMIC DEVELOPMENT MARKETING

There is a need for support marketing while the Economic Development Manager is focused on direct contact marketing and outreach with key decisions makers. Small, easy to implement marketing tactics to a broader business-oriented audience could be implemented by either support staff or another department to leverage key economic development messages. The Economic Development Manager will need help to manage a consistent campaign or maintenance of the web page. However, it is needed to change perceptions of Campbell as a place to do business.

### CAMPBELL MARKETING ROADMAP



#### 4.1.1 Key Campaign Theme

The first year the City should be promoting the work completed and the continuing efforts to streamline the zoning and permitting process to reduce the time it takes for a business to obtain a permit and open for business. One of Campbell's key challenges was the perception, real or perceived, that it is a difficult place to do business in a city with a lengthy permitting process. *Campbell needs to change the perception.*

This can only be done by telling the story, retelling the story, and proving through real case studies that changes have been implemented. Emphasizing that business is important to the City will help in rebuilding trust with the business community, including existing businesses, brokers, and developers.

Recommended: A message tagline such as *Streamlined for Success*.

## SAMPLE STREAMLINED FOR SUCCESS PROMOTION

### STREAMLINED FOR SUCCESS



#### Welcome to Campbell

Where a new era of business-friendly opportunities is taking shape. We're committed to propelling your success by streamlining our zoning and permitting processes, ensuring a hassle-free experience as you bring your vision to life. Campbell values innovation, embraces growth, and is dedicated to providing the support your business needs to thrive.

#### Join us in Campbell

Where streamlined processes meet boundless possibilities.

**Campbell Economic Development**  
EDC Manager - Leslie Parks  
408-866-2192 | [www.campbellca.gov](http://www.campbellca.gov)





### 4.1.2 Marketing Tactics – Website & Social Media

Assuming there is marketing support to assist (such as the communications department, or a consultant) in managing a campaign, the Economic Development Manager should create a yearly outbound schedule of messages for digital and social campaigns.

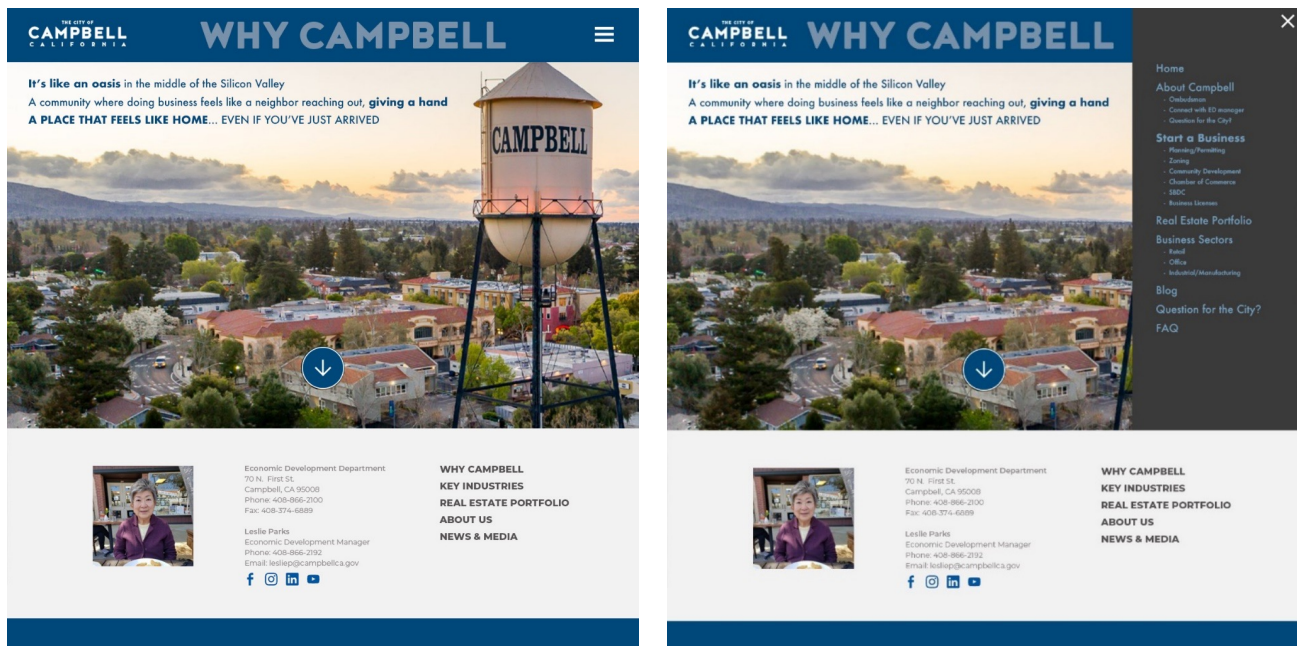
Appendix: Marketing Best Practices Handbook <sup>55</sup> on social media, email marketing and web content is provided to help guide campaigns and link to a sample Google calendar which can be used to build out content for week, month, quarter, or year.

#### 1. City Website & Economic Development Page

- The City's website needs an update.<sup>56</sup> If there are internal staff resources available, they should look at the overall City website and do a redesign.
- Update the economic development section of the website to a "Doing Business in Campbell" page with the following wireframe (pages) <sup>57</sup>

## SAMPLE ECONOMIC DEVELOPMENT WEBSITE PAGE LAYOUT

### Home Page, Internal Pages



55 Appendix Marketing Best Practices Handbook, Sample Campbell Calendar, <https://tinyurl.com/yc6bc96a>.

56 Working Paper Website Review July 2023.

57 Appendix Sample website page layout.

WEB PAGE	CONTENT
<b>Home Page</b>	<ul style="list-style-type: none"> <li>■ Why doing business in Campbell is great</li> <li>■ Featured properties</li> </ul>
<b>About Campbell</b>	<ul style="list-style-type: none"> <li>■ Ombudsman services</li> <li>■ Contact info for Economic Development Manager</li> <li>■ Connect with Campbell - Inquiry form – allows businesses to ask questions of the Economic Development Manager or other departments. Can be a smart form that directs questions to the right department.</li> </ul>
<b>Starting a Business</b>	<p>Resources - links</p> <ul style="list-style-type: none"> <li>■ Planning/Permitting (Link to their own section)</li> <li>■ Zoning (Link to their own section)</li> <li>■ Building</li> <li>■ Public Works</li> <li>■ Community Development</li> <li>■ Chamber of Commerce</li> <li>■ Small Business Development Center</li> <li>■ Business licenses</li> </ul>
<b>Campbell Real Estate Portfolio</b>	<ul style="list-style-type: none"> <li>■ Paragraph on the Portfolio &amp; Economic Centers purpose of tool</li> <li>■ Link to the web tool StoryMap (ArcGIS Map Tool)</li> <li>■ Economic Centers &amp; Available Properties</li> <li>■ Add videos for more engaging content – specific centers, tools, renovations.</li> </ul>
<b>Business Sectors</b>	<ul style="list-style-type: none"> <li>■ Retail – overview of the retail market<sup>58</sup></li> <li>■ Office – office scene -why Campbell is unique location</li> <li>■ Industrial/manufacturing –how to join innovative entrepreneurs.</li> <li>■ Business Cases<sup>59</sup></li> <li>■ Videos- interviews with businesses, let them tell their story.</li> </ul>
<b>Campbell Business Blog</b>	<ul style="list-style-type: none"> <li>■ Regular updates highlighting business, permitting, and zoning successes, listed properties, legislation. Events, news and trends in the industry sectors, retail, and business industry trends.</li> </ul>
<b>Frequently Asked Questions</b>	<ul style="list-style-type: none"> <li>■ Page on frequently asked questions about doing business in Campbell, license, market information, space availability, permitting.</li> </ul>
<b>Newsletter</b>	<ul style="list-style-type: none"> <li>■ Place to sign up for the Economic Development Newsletter – Business First.</li> </ul>
<b>Social Platforms</b>	<ul style="list-style-type: none"> <li>■ Encourage businesses to follow the City on its social platforms.</li> </ul>

58 Sample Location and Space Flyers that could be posted to website. But should be in the Portfolio, <https://storymaps.arcgis.com/stories/64e23545ee454f0c823a0a59718b49a0>.

59 Business Case Sample.

## **2. Social Media Tactics <sup>60</sup>**

A communications staff person manages several of the City's social media platforms. The Economic Development Manager should utilize these social media platforms to extend the economic development messaging to the City's broader audience.

- Working together, prepare a yearly schedule of postings (minimum once a month). Content ideas:
  - Updates on Permitting/Zoning
  - Testimonials from brokers
  - Listed property updates
  - Industry news
  - Stories from local businesses that have successfully worked with the City (business stories)
  - Featured business
- Boost Posting
  - Social media posts can be “boosted” expanding the reach of the post beyond the organic audience to new demographics matching content being posted. There is normally a fee to boost posting.
- Newsletters
  - Ensure there is a good list of existing businesses in all categories.
  - The Economic Development Manager should purchase business lists, as needed, to broaden the reach to retail, business categories or entrepreneurs. Also add contact information about businesses in the Customer Relations Management system (CRM) so the audiences receive the benefit of the posts.
  - Encourage readers to follow the City's social platforms.

## **3. Press Releases**

Press releases are a strategic and widely recognized method for cities to disseminate information, control the narrative, and engage with the media and the public. Press releases will also create community engagement, demonstrate transparency, and reach a broader audience. The media exposure through news articles, television segments and online publications can help in changing the perception of Campbell and creating the small town, business-friendly image desired.

60 Working Paper Social Media July 2023, Best Practices Guide.

## SAMPLE BUSINESS STORY



### Marvel Takes the Cake

Marvel Cake was created in 2009 by Maryam Menbari. Maryam's passion for art and design along with her love of pastries led to the start of Marvel Cake. She started her new career by making fabulous cakes and cupcakes for friends and family inspired by her artistic vision. After years, Maryam opened Marvel cake in January of 2009 in the kitchen of her house. Now she makes her beautiful cakes in her commercial kitchen



### 4.1.3 Marketing to Audiences Beyond Economic Development<sup>61</sup>

The importance of communicating to audiences outside of economic development was expressed at the December 5 Council Study Session. There were three audiences specifically mentioned:

- Community (Residents)
- Visitors
- Fitness and Outdoor Enthusiasts

Broader audience marketing efforts would not involve economic development's targeted messaging but rather highlight things such as:

- Quality of life, amenities, and unique features that make the City an attractive place, which could help retain existing residents and attract new talent, contributing to a skilled and diverse workforce.
- Cultural offerings, community events, and recreational opportunities which could contribute to community development and foster a sense of pride among residents.
- Safety, education, and community spirit promotion all help create that sense of place.

If the City Council decides Broader Audience Messaging is a priority to be implemented, the tactics below may be helpful. It should be noted it would take time and resources to fully implement one or all these campaign(s) outlines. Effective marketing would involve tailoring messages to each audience, emphasizing the specific benefits and opportunities that would resonate with them. It is possible to start with one idea, build upon information gathered from the community, prepare a content strategy and then implementation can be developed over time.

61 Additional audience personas, profiles and marketing tactics are included in the Brand Story Strategy, a separate document.



## **Audience: Community (Residents)**

### **1. Email Mayor's Newsletter**

Creating an email newsletter is an effective way to regularly communicate with the community. (see sample)

**Content Planning:** Plan the content for each section of the newsletter:

**A Word from Our Mayor:** Mayor's vision for the City, including outdoor, parks, trails, gateway improvements and beautification efforts. Ongoing messages from the Mayor, offering insights and updates.

- Biking, hiking, running, and walking trails in the City.
- Open spaces and parks
- A dog friendly City, dog parks, dogs around town
- Fit Campbell - how fitness fits into Campbell's lifestyle
- Keeping the Small town feel through effective design of the downtown, neighborhoods and business parks around the City and all outdoor spaces.

**Permit Us to Improve:** Updates on permitting improvements, recent successes, and upcoming changes.

**Around the City:** Informative segments like "Things You Didn't Know About Campbell," enriching residents' understanding and pride in their City.

- Stories highlighting the quality of life in Campbell, featuring resident testimonials or experiences.
- Stories on local businesses, encouraging residents to shop locally and support their community.

### **2. Community Surveys**


Conducting community surveys is a terrific way to engage residents and help the City understand what is important to those that live in Campbell.

Key areas to explore in the survey could include "What is unique about Campbell, that people refer to our small-town feel, are you feeling safe, and how do you distinguish Campbell from other Bay Area cities?" The survey should ask questions to uncover Campbell's 'best-kept secrets' - those unique aspects that residents cherish but may not be widely known. These 'best-kept secrets' about the City can then be shared with the residents as well as your visitor audience.

## SAMPLE MAYOR'S NEWSLETTER <sup>62</sup>


Target Audience:  
Community

### CITY OF CAMPBELL ROOTED IN COMMUNITY




#### "A Word from Our Mayor"

Mayor Landry's passion lies in enhancing our community's parks, trails, and open spaces, ensuring Campbell remains inclusive, dog-friendly, and walkable, and retains its small-town charm amidst the bustling Bay Area. She also takes a keen interest in the design of neighborhoods, downtown areas, shopping districts, and industrial zones, aiming to maintain our quaint town atmosphere.



#### Worth the Walk, Run or Ride

Campbell, California, is an ideal destination for families and outdoor enthusiasts alike. With a wealth of parks, playgrounds, baseball fields, and biking trails, we prioritize providing accessible and enjoyable outdoor experiences. Visitors can indulge in a day of outdoor activities, whether it's getting some exercise, bringing their pets along, and then conveniently heading to our downtown or the Pruneyard for further exploration. Campbell's commitment to outdoor spaces reflects our dedication to fostering a healthy and vibrant community.



62 Sample Mayor's Newsletter – all text used in sample is provided only to visualize format and placement.

### **3. Digital Campaign for Resident Engagement**

The City's communications staff are already doing a great job-sharing information about the City. If time were available, a resident focused digital campaign could help reinforce their connection to the City. Campaigns can utilize social media, local online forums, and other digital platforms to share stories, updates, and interactive content that celebrates the City's small town feel and community spirit.

These should be short content bites based on the survey results and content developed for the newsletter. A shortform campaign content strategy will provide an opportunity to leverage content into a multi-channel approach.

This tactical effort aims to foster a deeper sense of community among residents, promote local businesses and amenities, and reinforce the unique qualities that make Campbell a special place to live and work.

By using a mix of surveys, newsletters, digital content, and web presence, the City can effectively engage with its residents, enhance their appreciation and understanding of Campbell, and build upon that sense of place and community pride.

#### **Audience: Visitor**

Marketing Campbell to visitors requires a dynamic and multifaceted approach. Currently there is no dedicated visitor's bureau, center, or manager. Before embarking on visitor marketing, a Visitor Strategy should be created (Action 3.2).

However, there are short-term tactics that could be implemented through a collaboration with the Chamber of Commerce, City's Park & Recreation Department, and communications staff. Following are content ideas for promoting Campbell to both potential and current visitors:

#### **1. Collaboration**

Engage the above organizations in participating collaboratively to spread the word. They each can provide valuable insights and resources for reaching out to visitors. Utilize their expertise and platforms to manage and disseminate information across various social channels and websites.

## 2. Digital and Social Marketing Tactics:

- **Social Media Channels:** Leverage platforms like Instagram, Facebook, YouTube, and Nextdoor to showcase Campbell's attractions and events.
- **Dedicated Section on City Website:** Create a visitor-focused area on the website, providing essential information, highlights, and updates.

WEB HIGHLIGHTS	CONTENT
Welcome Visitors	<ul style="list-style-type: none"> <li>■ Include a video</li> <li>■ Things to do and enjoy</li> </ul>
Entertainment	<ul style="list-style-type: none"> <li>■ Music in Campbell</li> <li>■ Events</li> <li>■ Rail station (convenience to getting to other valley events)</li> </ul>
Shopping & Dining	<ul style="list-style-type: none"> <li>■ Shopping Areas</li> <li>■ Restaurants</li> <li>■ Parking</li> <li>■ Rail Station</li> </ul>
Walking, Running, Hiking & Biking	<ul style="list-style-type: none"> <li>■ Trails</li> <li>■ Why Los Gatos Trail (is that the name of the best trail)</li> <li>■ Map on the website (not link out)</li> </ul>
History	<ul style="list-style-type: none"> <li>■ Campbell's Roots</li> <li>■ Places to visit</li> </ul>

- **Public Relations Efforts:** Limited yet strategic public relations efforts can help in getting featured in travel blogs, local news, and tourism websites.
- **Content Ideas for Promotion:**
  - *Experience Our Unique Trails:* Highlight the scenic beauty and accessibility of Campbell's outdoor trails.
  - *Dog-Friendly City:* Promote the City's pet-friendly spaces and amenities.
  - *The Pruneyard, Downtown and Unique shopping centers* across Campbell:
  - Highlight the shopping, dining, and cultural experiences available in these areas.
  - *Events by Chamber, DCBA, and Recreation Department:* Highlight events hosted downtown, in the Pruneyard and venues like the Heritage Theatre.
  - *Renowned Farmers' market:* Feature the popular, best in the Silicon Valley Farmer's Market, a significant draw for locals and visitors alike.

- *Revitalize Music in Campbell*: Showcase and promote all music related events, venues, pop up events, downtown concert to build upon what was once one of Campbell's top billings.

### **Audience: Fitness and Outdoor Enthusiast**

The City of Campbell possesses valuable resources that align with the interests of fitness and outdoor enthusiasts. Currently the outdoors and trails are not promoted even on the City's website to this audience. They are only referenced in the County-wide Master Plan and a link to a map where the trail can be accessed. There is a link to the bike path but in another section on the website.

#### **1. Marketing Message Concepts to Connect with Fitness and Outdoor Enthusiasts:**

- *"Explore Campbell's Trails"*: Promote the City's hiking and biking trails with stunning visuals and maps.
- *"Fitness in the Park"*: Organize free outdoor fitness classes in City parks.
- *"Healthy Eating, Campbell Style"*: Highlight healthy dining options at local restaurants.
- *"Adventure Awaits"*: Showcase nearby outdoor adventures like trail runs, bike races or fun runs.
- *"Community Fitness Challenge"*: Launch a City-wide fitness challenge with prizes for participation.
- *"Pet-Friendly Adventures in Campbell"*: Encourage fitness and outdoor enthusiasts to explore Campbell's parks and trails with their furry companions. Promote pet-friendly parks, hiking trails, and cafes with outdoor seating where people can enjoy a meal or coffee with their pets.

#### **2. Marketing**

- *Social Media Advertising*: Utilize platforms like Facebook, Instagram, Nextdoor and YouTube to target fitness and outdoor enthusiasts with visually appealing content.
- *Local Event Sponsorship*: Sponsor or participate in local fitness and outdoor events to engage directly with the community. Events on the trails and parks can be extremely effective in bolstering visitors and residents to engage outside and in the City's retail areas.
- *Collaborate with local Crossfit Gyms*: Create the "Campbell CrossFit games."

- *Outdoor Billboards:* Place billboards near popular outdoor areas or fitness centers to capture the attention of enthusiasts.
- *Email Marketing:* Send newsletters highlighting upcoming fitness and outdoor events and promotions.

### 3. Website

- *Visitor/Recreation:* Add a page on the City website either with Visitor or with Recreation.
- *Los Gatos Creek Trail & Riparian Corridor:* Add video and pictures of people enjoying the many trails, parks, and outdoor areas. Video and photos tell a fantastic story and when paired with your YouTube channel, your organic audience potential grows exponentially.
  - Have a contest for local videographers and photographers to capture people and pets enjoying the outdoor experience. Partner with local businesses and get gift certificates as prizes for entries. The City would retain all footage and photos to use in marketing. This is a creative, cost effective way to leverage the local community talent pool.
- *Content Marketing:* Create a blog or video series featuring local outdoor activities and fitness tips on your City's website under the "Things to Do" section.
- *Recreational Opportunities:* Emphasize 'Fit City' initiatives and outdoor activities available in Campbell. Create a robust, things to do section that is searchable.

Additional audience personas, profiles and marketing tactics are included in the ***Brand Story Strategy and the Marketing Best Practices Guide***, separate documents

## PILLAR III: ASPIRATIONAL

What is unique about Campbell, given its location as a bedroom community to a mega-region, has been its ability to maintain a “small town image and feel”. Embodied in the City’s 2040 General Plan and expressed by the City Council during the December 5, 2023, Economic Development Plan Study Session was the importance of maintaining and enhancing the small-town image and “sense of place”.

**Pillar III Aspirational** frames placemaking as an initiative that is both visionary and pragmatic in maintaining Campbell’s small-town identity, branding Campbell as a community with a sense of place, honoring its agriculture heritage, culture, arts, and inclusiveness while creating long-term economic sustainability and growth.

The City can maintain and enhance its small-town image and feel, fostering the sense of place and belonging among its residents, by implementing “placemaking” initiatives that reflect the community’s identity. This contributes to a more vibrant and cohesive environment that reinforces the unique character that residents value.

*This initiative is led by Community Development and Planning where Economic Development supports from the business perspective. The initiative is important/critical in creating place and destinations desired by residents, consumers, visitors and businesses.*

Placemaking has been a term used mainly to engage arts and culture in design but is now recognized as a tool to impact the physical built environment for both public and private projects.<sup>63</sup>

As an overarching idea and a hands-on approach for improving a neighborhood, city, or region, **placemaking** inspires people to collectively reimagine and reinvent spaces:

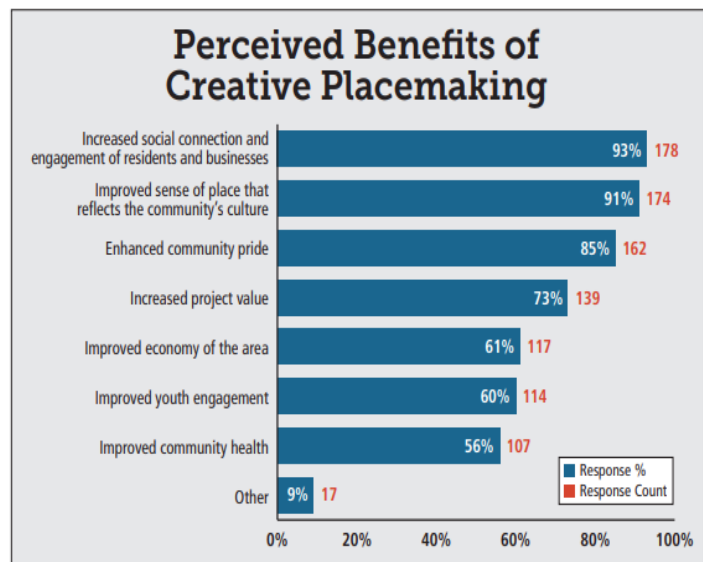
- Strengthens the connection between people and the places they share.
- Facilitates creative patterns of use - physical, cultural, and social identities that define a place and support its ongoing evolution.
- Emphasize a collaborative process maximizing shared value.

Successful creative placemaking highlights unique community characteristics. Projects can focus on connecting local history with the present, bringing cultural influences into the spotlight, and identifying creative ways to connect “places.”

63 Urban Land Institute, *Perceived Benefits of Creative Placemaking*.



While the creative placemaking process results in changes to physical spaces, it is also an opportunity to build relationships between diverse partners and to impact positive change. A key element in the creative placemaking process is to have stakeholders, public and private, engaged early in the process. This provides an opportunity to look at community objectives, aspirations, and challenges in an inclusive manner. It builds connections between people and places by encouraging collaboration and visualization.



Physical placemaking plans should enhance connectivity, promote the small-town feel, lean into the City's heritage, and encourage community engagement to create a cohesive and welcoming sense of place.

Communities with a strong sense of place and belonging are those that attract talent – a key factor for businesses seeking new locations.



## CHALLENGES

Physical placemaking initiatives are beyond economic development and align more with Community Development and Planning. A community development department can lay the foundation for successful physical placemaking initiatives by identifying a target area, starting with a small-scale project that can demonstrate the impact of placemaking.

Aspirational placemaking that leans into maintaining and enhancing the City of Campbell's small-town identity, honoring its heritage, and creating that sense of "quality" place has not previously been planned for. There may not be the capacity or resources to start such a physical planning initiative.



## CITY RESPONSE

Placemaking can be an opportunity for future planning. Placemaking initiatives can serve as a powerful tool to achieve the City's vision by addressing various aspects of development, including physical design, social dynamics, economic vitality, and sustainability. When carefully planned and implemented, placemaking contributes to the overall livability and success of a city.



*Placemaking is an exceptional tool for branding a community because it emphasizes the unique sense of place and identity that differentiates one town from another.*

*By focusing on the specific attributes of a community, such as agricultural heritage, local art, and cultural traditions, placemaking fosters a deeper connection between residents and their environment. It encourages the celebration of a community's roots while integrating these elements into the physical and social fabric of the area.*

*This approach not only honors the past but also invites active participation and engagement in shaping the future, leading to a vibrant, identifiable community that attracts visitors and sustains residents.*

*Placemaking efforts strengthen community bonds and reinforces a collective identity, making it a powerful strategy for community branding and revitalization.*

## Strategic Initiative 5.0 – Placemaking

Over the course of the last 10-20 years, placemaking has become a critical tool for planners, architects, and public officials to attract people and investment dollars to a geographically defined area. Professional affiliations like the Project for Public Spaces (PPS), PlacemakingX (an offshoot of PPS), Congress for New Urbanism (CNU), and the National Endowment of the Arts promote placemaking through a collaborative process to transform spaces.

Although physical development is at the center of the concept, it goes beyond the physical attributes of a place and encompasses the intangible qualities that give a location its distinctive character and identity, including:

- The connections shaped by personal experiences, memories, and the general ambience of the place.
- Significance of heritage, traditions, and cultural practices contributing to the identity and character of a location.
- The way people interact with each other in a specific location and the social bonds formed within the community.
- The natural features, architecture, and design contribute to a sense of place. Elements like streetscaping, wayfinding, window and façade treatments and building massing all come into play with physical placemaking particularly if it feels genuine and authentic.

The following applications are potential opportunities for the City of Campbell to consider embarking on physical placemaking to enhance the City's position within Silicon Valley as a unique community with a small-town feel and sense of place.

## **ACTION 5.1 DOWNTOWN AS A VIBRANT HUB**

A vibrant downtown is a dynamic and multifaceted hub that contributes to the economic, social, cultural, and sometimes recreational well-being of a community. It plays a central role in shaping the overall character, livability, and image of a city. Downtown and Pruneyard are both identified by Campbell stakeholders as icons in Campbell that create a positive experiential image for the city.

However, like any district, downtown consistently needs to be maintained and refreshed to create that experiential image that is so important to Campbell's character.

The City's existing document, *Downtown Development Plan & Standards*<sup>64</sup> provides a vision for Downtown Campbell and a framework for physical development, business development and preservation of the Historic Downtown. The study area is from the Pruneyard Shopping Center to the Community Center. This is one of the most significant areas in the City.

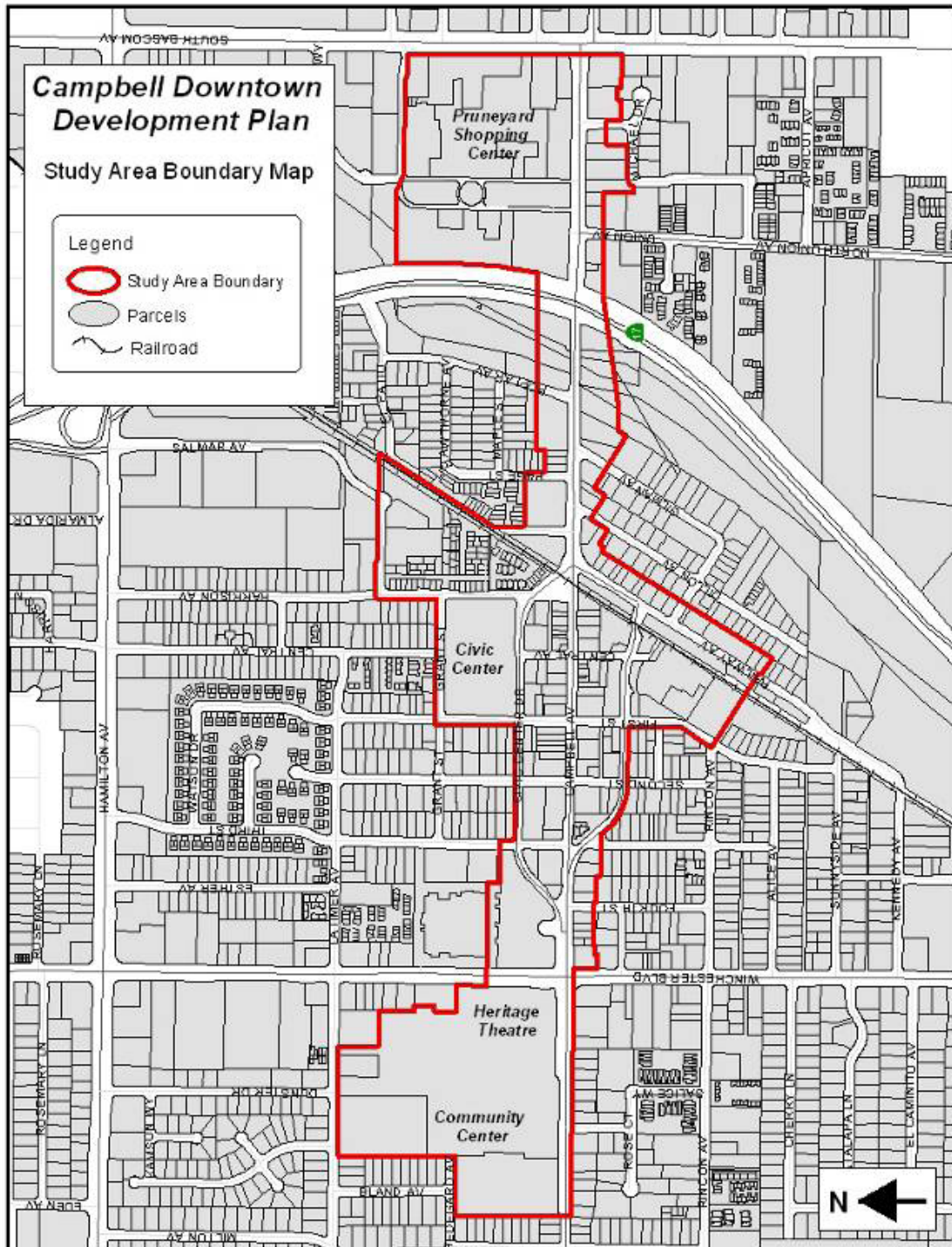
The plan identifies a vision for Downtown Campbell, reinforcing its place as a central hub for community activity, cultural and civic events, and a vibrant central business district. Downtown Campbell is unique because of its small-town, historic character. Furthering its growth while keeping its heritage intact is best accomplished through partnerships between the City and its stakeholders.

The study area identified in the plan (**Figure 16**) extends west to east from the Community Center through Downtown to the Pruneyard. A key placemaking initiative should connect Downtown to Pruneyard, creating a corridor to promote Campbell's community image as a unique, walkable third space. The East Campbell Avenue Master Plan, approved in 2007, focuses on the corridor between Downtown and Pruneyard. The master plan makes recommendations for street and frontage improvements, gateway signage and development standards and design guidelines to continue the look and scale of downtown further east to Pruneyard (**Figure 17**).

64 Downtown Campbell Development Plan & Standards, prepared by Campbell Redevelopment Agency, Community Development Department, Public Works Departments, Oct 3, 2006, updated Feb 18, 2020.

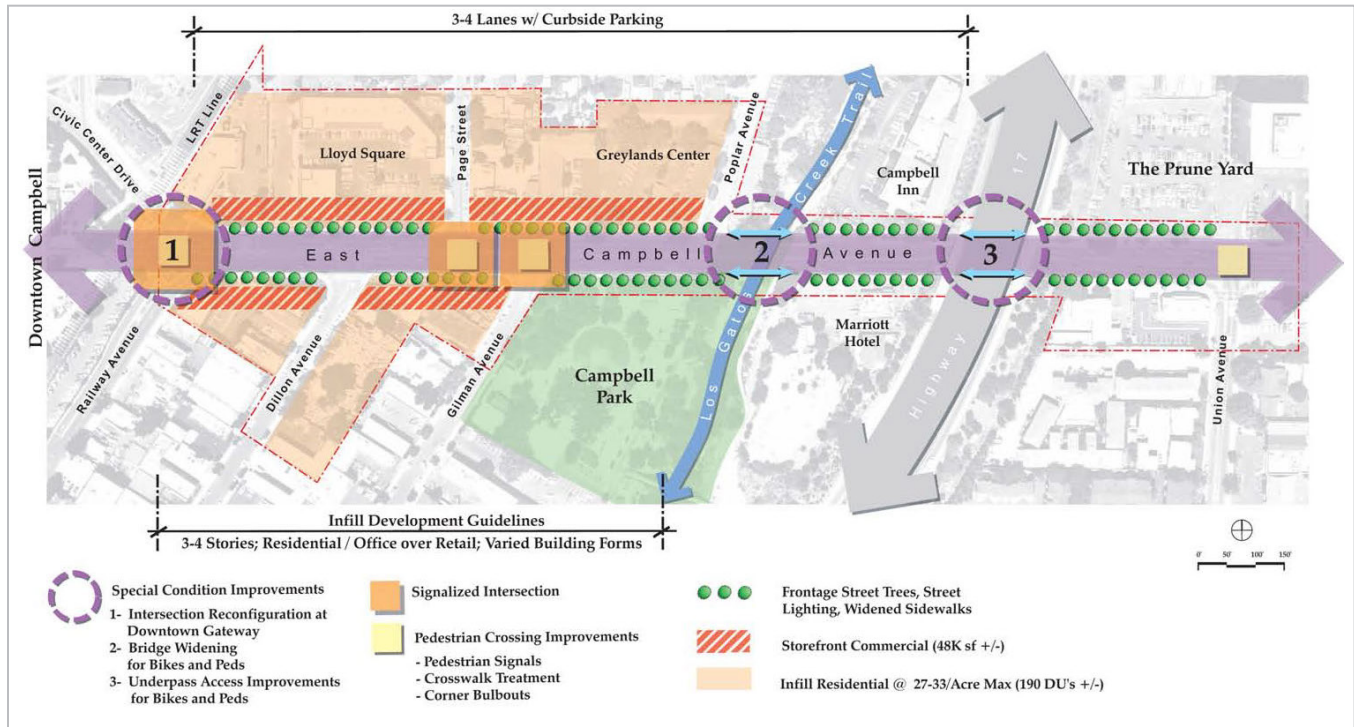
**FIGURE 16: CITY OF CAMPBELL DOWNTOWN DEVELOPMENT PLAN & STANDARDS, OCT 3, 2006, UPDATED FEB 18, 2020**

**Study Area - Connecting Downtown to Pruneyard**





**FIGURE 17: CORRIDOR VISION CONCEPT, EAST CAMPBELL AVENUE  
MASTER PLAN 2007**



### 5.1.1 Bring in Experts, Engage Stakeholders

All downtowns need to review and refresh their spaces to keep attracting visitors and shoppers. The City's Downtown Development Plan was first adopted in October 2006 and amended in February 2020. With the economic shifts that have occurred since 2020 with the pandemic and the more recent national economic shifts the time is right for an update which could be done as a separate review/report as an addendum to ensure as downtown moves forward it is strategic in its process to current trends and opportunities. This review is best done with "outside, experienced eyes". Recommend considering engaging the Urban Land Institute San Francisco's Technical Assistance for Communities (TA4C) Program.

The ULI-San Francisco Chapter offers a Technical Assistance Program (TAP) to cities throughout the Bay Area from San Francisco to Morgan Hill. TAPs provide expert, multidisciplinary advice to local government, public agencies, and non-profit organizations seeking vision and opportunities to enhance spaces.

The strength of these TAPs is the cross-section of expert panelists who have an interest in sharing their expertise as non-biased third parties that will examine issues from multiple perspectives to produce recommendations and an implementation strategy that is based on sound information, community realities, and best practices. Engaging such a team could lead to a creative and innovative plan and implementation guide for connecting Downtown and the Pruneyard.

### URBAN LAND INSTITUTE

ULI San Francisco's Technical Assistance for Communities (TA4C) committee offers a range of technical advice, educational resources, and professional development opportunities to help cities, counties, public agencies, and communities enhance their understanding of the processes and advance the development of more sustainable and vibrant communities.

#### 5.1.2 Property-Based Improvement Districts (PBIDs)

A Property and Business Improvement District (PBID) is a tool available to property and business owners to improve a downtown or other commercial area. It is a public-private partnership organized for the improvement of a specific geographic area.

In California, PBIDs are formed pursuant to the Property and Business Improvement District Law of 1994, California Streets & Highway Code Section 36600-36604. A PBID is a special benefit assessment district designed to raise funds within a specific geographic area. Funds may be raised through a special assessment of real property, businesses, or a combination of both, and are used to provide supplemental services beyond those provided by the City.

The formation of a Property Business Improvement District (PBID) is complex and must be approved by at least 50% of the property owners agreeing to the property tax assessment formula and a management plan. All funds generated by the assessment district are reinvested in the specific area for the benefit of the assessed properties.

If the City, property owners and businesses wish to pursue a joint BID or PBID, they should engage consultant assistance experienced in forming PBIDs.<sup>65</sup>

65 KLIFinance, Kristin Lowell, Roseville, CA. 916.786.9686 kristin@klifinance.com.



## **ACTION 5.2 WAYFINDING AND GATEWAYS THROUGHOUT CAMPBELL**

Unique signage is not only directional; distinct and interesting visuals help create a sense of place. The City of Campbell could increase wayfinding and gateways to signal a sense of arrival to a destination or district (**Figure 18**). Signs need to be functional and properly located, while also being aesthetically pleasing and reflect the City's character. Gateways can be used to promote destinations in the City of Campbell (5.2.2), showcasing specific districts, commercial centers, industrial areas, or landmarks.

### **5.2.1 Distinctive Signage**

Signage is a versatile tool that plays a vital role in shaping the identity, safety, and overall positive community experience felt by residents and visitors alike. Signs could be enhanced throughout the City to guide visitors to various attractions, districts and areas seamlessly. It is critical that signs, monuments and banners are clear and sized appropriately for the audience to read in a vehicle, bicycle or walking.

**FIGURE 18: EXISTING CAMPBELL SIGNAGE  
AT WEST ENTRANCE TO DOWNTOWN**



## 5.2.2 Gateways Create a Sense of Arrival

The City of Campbell is framed by highways—State Route 17 through the central north-south core, Highway 280 running east-west to the north, the San Tomas Expressway and the Lawrence Expressway further to the west. As a land-locked community with limited natural landmarks, it is critical to create wayfinding and arrival elements to let visitors know they have arrived in Campbell.

Designing a gateway or a landscape element off a freeway interchange that creates a sense of uniqueness that honors the small-town feel requires thoughtful planning and an understanding of the local character. Signs and monuments at city gateways and other key districts or landmarks can showcase a certain vernacular or element of heritage (*Figures 19, 20, 21*).

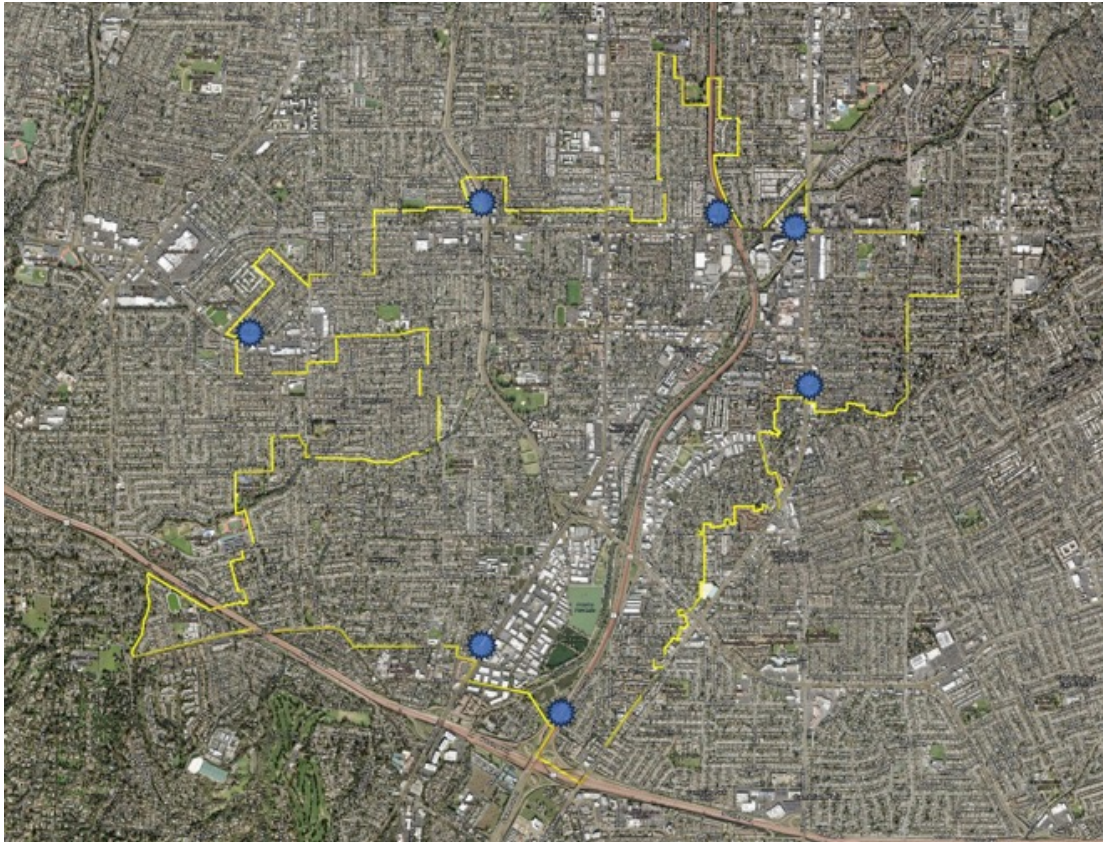
Not all gateways have to be permanent, static monuments. The City could consider using billboards or electronic billboards at gateways to dynamically display current events and attractions. These could also be built with a theme to not appear as a billboard.

**FIGURE 19: EXAMPLES OF QUALITY SIGNAGE AND MONUMENTS AT GATEWAYS**

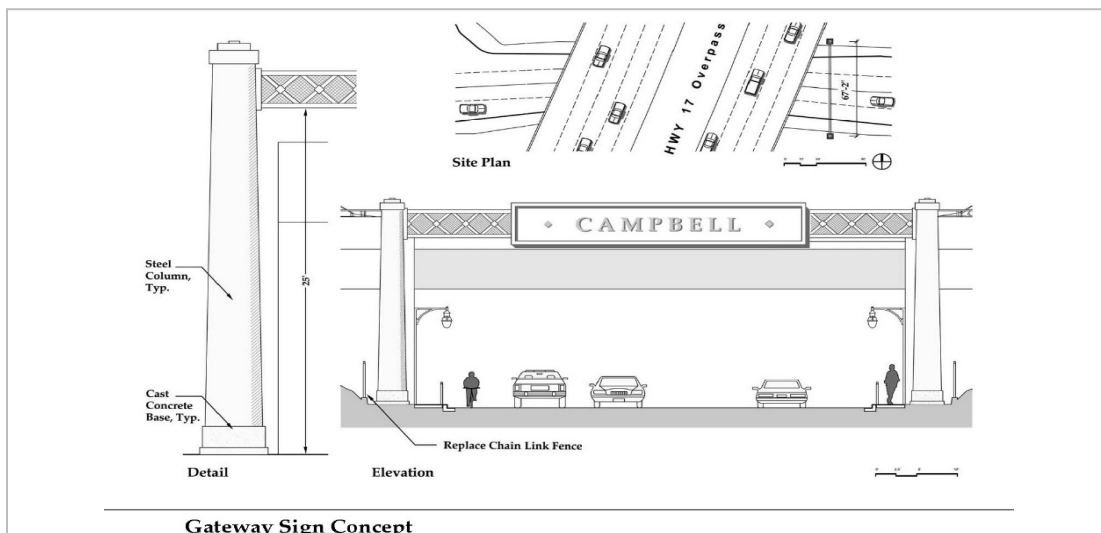




**FIGURE 20: GATEWAY OPPORTUNITIES AT CAMPBELL BOUNDARIES**



**FIGURE 21: SAMPLE GATEWAY SIGN CONCEPT PROPOSED FOR HIGHWAY 17 OVERPASS (EAST CAMPBELL AVE MASTER PLAN)**



### **ACTION 5.3 RECOGNIZE DELL-MCGLINCY AS A DISTRICT**

Dell-McGlincy areas are addressed in Action 2.3 Traded Sector. This industrial area of Campbell is unique and has a reputation as a location for small startup businesses. The area has a diversity of businesses, including new startups and long-standing mature businesses in different business sectors. This economic center is the city's second largest sales tax generator.

Although there are few vacancies in the area which often don't stay on the market for any length of time, the location and spaces are a good fit with a diversity of emerging businesses.

The area could be upgraded with gateways and wayfinding as well as amenities desired by the businesses located in the area. An innovative branding campaign like "Silicon Alley" would help define the place. Coupled with access to small business/entrepreneur services, it would attract the attention of emerging innovative businesses in diverse fields. (See Action 2.3 for more details).

### **ACTION 5.4 ENHANCING CAMPBELL'S CORRIDORS/CONNECTING CENTERS**

As noted in Section 5.1, the Campbell Avenue Corridor connecting Downtown to Pruneyard is a key opportunity that could be the focus of streetscaping and improvements to connect two critical nodes of the community.

The idea of enhancing corridors across the City should be promoted, especially considering that the commercial centers are connected by central corridors—Hamilton Avenue and Campbell Avenue as east-west corridors and Winchester Boulevard and South Bascom Avenue as north-south corridors (*Figure 22*).

The City recently issued an RFP for a Hamilton Avenue Precise Plan. The stated goal is to facilitate the transition of the Hamilton Avenue area into a vibrant, transit-oriented, mixed-use district with safe and convenient multi-modal connectivity. Understanding that this is a larger effort requiring amended code language and capital improvement expenditures, the City could earmark funding for future corridor enhancement in the form of precise plans or capital improvement funds for Campbell Avenue, Winchester Boulevard and South Bascom Avenue.



FIGURE 22: CAMPBELL'S CORRIDORS



## ACTION 5.5 REVITALIZE UNDERUTILIZED COMMERCIAL CENTERS

### 5.5.1 Engaging Center Owners in Envisioning Mixed-Use Destinations

While a majority of the City's commercial shopping centers and strip retail centers are large well-maintained centers, there are opportunities to rethink and redevelop centers as thriving mixed-use destinations and areas to create third spaces for cultural activities such as music.

As part of placemaking, done in collaboration between Economic Development and Community Development, the City could be forward thinking about revisiting underutilized commercial centers to mixed-use destinations. Economic Development could engage property owners interested in revitalizing their spaces to meet and discuss opportunities to enhance the centers through placemaking.

These centers could be master planned to change the layout of the center, with commercial or mixed-use buildings pushed to the street frontage, creating courtyards and enclosed areas behind the street-fronting buildings. Also, as most of these centers are located along existing transit corridors, there is the opportunity for more dense transit-oriented development.

Most existing commercial centers range from eight to fifteen acres, allowing for significant redevelopment opportunities. As a point of comparison, the Los Gatos North 40 Specific Plan is a mixed-use development just south of Campbell encompassing 44 acres that allows for a maximum of 270 residential units and just over 500,000 square feet of commercial uses. The plan requires 30% open space, design elements that reflect the orchard heritage of the properties, as well as bicycle and pedestrian paths and linkage to the local network. The vision for North 40 is reflective of Campbell's shared vision—a celebration of the City's history, agricultural heritage, and small-town character (*Figure 23*).

**FIGURE 23: NORTH 40 RENDERING  
(PROVIDED BY GROSVENOR – PROPERTY AMERICAS)**



### **5.5.2 Creating “Third Places”**

Third places are defined as specific areas or districts that are distinct from the home (first place) and the workplace (second place). Third places allow people to gather to interact, socialize, and engage in activities outside their primary responsibilities. Examples of third places include coffee shops, parks, libraries, community centers, bookstores, and bars.

While many of these third places already exist across Campbell, there are opportunities in existing centers or underutilized properties to create these third place

amenities. Based on feedback heard from stakeholders, there may be opportunities for music venues, restaurants, bars, pickleball courts, etc.

These “Third Place” concepts could be introduced to center property owners as potential in the center (5.4.1 above).

**CASE STUDY**

**THIRD PLACES: RAINEY STREET IN AUSTIN**

Rainey Street, located a few blocks from the Colorado River in Austin, Texas, originally was given little attention—almost like an alleyway, sitting between a few houses. Several entrepreneurs started assembling and adaptively reusing the old houses, turning them into restaurants and small businesses, and installing picnic tables and lights for patrons. It grew organically through word of mouth and created a place brand on its own. Today, the street has grown into its own unique district and spurred housing developments. It is one of the most frequently visited areas in Austin.







Creating and fostering “third places” contributes to the social, cultural, and economic vitality of the community while embracing a community’s identity and sense of belonging.



## Measuring Progress

Economic indicators should be measured on an annual basis to track progress and economic vitality. An annual economic indicator chart or dashboard can provide key data for informed decision-making, assist in facilitating strategic planning, and identify areas of adjustment needed to respond to dynamic market conditions. Campbell's benchmark data for measuring economic indicators is included in the Working Paper Economic Scan prepared in Phase I.

### Annual Economic Indicators

	<b>DEMOGRAPHICS</b>	Population Growth Age Groups School Enrollment Median Household Income/Sources
	<b>ECONOMIC</b>	Employment Rates Gross Regional Product Business Starts & Closures Retail Estate Vacancy Rates
	<b>WORKFORCE</b>	Educational Attainment Labor Force Commute Time Work from Home
	<b>FISCAL</b>	Annual Sales Tax Revenue Annual Property Tax Transient Occupancy Tax (TOT)
	<b>TOURISM</b>	Hotel Rooms Available for Occupancy Increase in Hotel Occupancy Event Attendance

# LIST OF ACRONYMS

- **ACO** – Assets, Challenges, Opportunities
- **ADA** – Americans with Disabilities Act
- **AUP** – Administrative Use Permit
- **AR** – Augmented Reality
- **AV** – Autonomous Vehicles
- **BRE** – Business Retention/Expansion program
- **CNU** – Congress for New Urbanism
- **CRE** – Commercial Real Estate
- **CRM** – Customer Relations Management System
- **CUP** – Conditional Use Permits
- **DCBA** – Downtown Campbell Business Association
- **DIY** – Do It Yourself
- **ED** – 2040 General Plan, Economic Development Element
- **EDP** – 2017 Economic Development Plan
- **ESRI** – Geographic Information System Map Tool
- **EV** – Electric Vehicle
- **GIS** – Geographic Information System
- **GP** – 2040 General Plan
- **GRP** – Gross Regional Product
- **HdL** – City's Sales Tax Auditing Firm
- **ICSC** – International Council of Shopping Centers
- **MFDDS** – Multi-Family Development & Design Standards
- **PBID** – Property based Improvement District
- **Portfolio** – Real Estate Portfolio (Economic Centers)
- **PPS** – Project for Public Spaces
- **PR** – Public Relations
- **R&D** – Research & Development
- **RHNA** – Regional Housing Needs Allocation
- **TA4C** – Technical Assistance for Communities
- **StoryMap** – Website real estate portfolio tool
- **TAP** – Technical Assistance Project
- **TBID** – Tourism based Improvement District
- **TOT** – Transient Occupancy Tax
- **ULI** – Urban Land Institute
- **VR** – Virtual Reality
- **15k** – 15,000 square feet
- **25k** – 25,000 square feet
- **Sf** – square feet

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# APPENDIX

- A.** Phase I – [Real Estate Portfolio](#)
- B.** Phase I – Working Papers (8)
  - 1) Economic Scan
  - 2) Real Estate – Vacancies
  - 3) Real Estate - Market Conditions
  - 4) Sales Tax Review
  - 5) Marketing - Social Media
  - 6) Marketing - Website
  - 7) Marketing - Perception, Supplemental Working Paper Surveys
  - 8) Assets, Challenges & Opportunities
- C.** Phase I – Economic Development Tools
- D.** Phase I – [Brand Story Video](#)
- E.** Phase III – Alignment Chart, 2040 General Plan aligned to Updated Economic Plan
- F.** Phase III – Marketing Guide - Best Practices
- G.** Phase III –Economic Development Plan Tracking Sheet

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