



CITY OF SAN CARLOS

ECONOMIC DEVELOPMENT PLAN

2021 - 2024

CITY is
GOOD
LIVING
SAN CARLOS

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Introduction

Since 2007 the City of San Carlos has used multi-year economic development plans and strategies to clearly articulate economic development policy priorities, guide investments, and inform resource allocation. The most recent Plan was adopted in 2015 and set economic development policy direction through 2019. The 2021-2024 Economic Development Plan (2021-2024 Plan) represents the next generation of economic development strategic planning for San Carlos. Developed with input from the Economic Development Advisory Commission (EDAC), City staff, and consultants, the 2021-2024 Plan includes eleven strategic priorities organized around four themes.

Strategic Goals and Objectives

The 2021-2024 Plan includes a set of implementation actions to achieve eleven strategic priorities. The strategic priorities and actions in the 2021-2024 Plan advance many of the goals and objectives in the City's *2020 San Carlos Strategic Plan*.

2020 San Carlos Strategic Plan	
Eastside Planning	Objective 1: Prepare a plan to address changes in development patterns and the influx of jobs.
Housing	Objective #1: Increase the number of Below Market Rate (BMR) housing units to meet local and regional housing requirements. Objective #2: Study land use and other regulatory options to increase all types of housing. Objective #3: Engage the community in dialogue about housing needs, challenges, and opportunities. Objective #4: Facilitate completion of projects currently underway.
Mobility, Traffic & Transportation Infrastructure	Objective #1: Identify and implement alternative modes of transportation (non-vehicular) to improve traffic flow and parking. Objective #2: Identify and implement street and intersection projects and initiatives to improve traffic flow and parking. Objective #3: Develop community education, reporting, outreach, and information tools. Objective #4: Identify and implement enhanced traffic and pedestrian safety opportunities. Objective #5: Facilitate completion of projects currently underway.
Childcare & Youth Programming	Objective 1: Increase access to childcare facilities. Objective #2: Address the community's needs for youth programming.
Wildfire, Safety & Emergency Planning	Objective 1: Reduce the risk and threat of wildfire and prepare the community for such an event. Objective #2: Update emergency plans and policies.
Climate Change	Objective 1: Prepare a Climate Mitigation and Adaptation Plan.

San Carlos: Perfectly Positioned

Ideally situated between San Francisco and San Jose, San Carlos is easily accessed by highways, railways, and airways. The ultimate in geography and livability, it strikes a rare balance between small-town charm and big-city access. Here, a quaint village feeling goes hand in hand with global connectivity and cutting-edge technologies. It's the best of both worlds, in an extremely convenient and pleasant location.



**WHAT I VALUE ABOUT
SAN CARLOS IS.....**

Community Profile

	NUMBER	PERCENT
POPULATION	29,650	100%
Under 18 Years of Age	6,885	23%
65 Years of Age or Older	5,428	18%
Median Age	45.2	-
HOUSEHOLDS	11,869	100%
Total Family Households	8,093	68%
Average Household Size	2.57	-
Median Household Income	\$182,083	-
EDUCATIONAL ATTAINMENT		
Population 25 Years and Over	20,679	100%
High School Diploma or Higher	20,181	98%
Bachelor's Degree or Higher	14,177	69%
Graduate or Professional Degree	6,765	33%
HOUSING UNITS	12,385	100%
Occupied Housing Units	11,869	96%
Owner Occupied	8,560	69%
COMMERCIAL REAL ESTATE (2Q 2019)	AVERAGE ASKING RENT	VACANCY RATE
Office	\$4.92 (FS)	8.1%
Retail	\$3.87 (NNN)	0.5%
Industrial	\$1.86 (NNN)	3.7%
Flex	\$2.82 (NNN)	6.8%

Sources: Esri Business Analyst; CoStar; BAE, 2019.

Current Economic Climate

The City of San Carlos is widely recognized as a high-quality place to live, work, and play, making it a sustainable community. While the City has many assets and competitive strengths, several internal and external factors negatively impact economic growth in San Carlos. The process of developing the 2021-2024 Plan included a baseline assessment of the City’s current environment via a SWOT (Strengths, Weaknesses, Opportunities, and Threats) analysis. The SWOT analysis, which is summarized below, highlights several advantages and challenges that could impact the implementation of the 2021-2024 Plan.

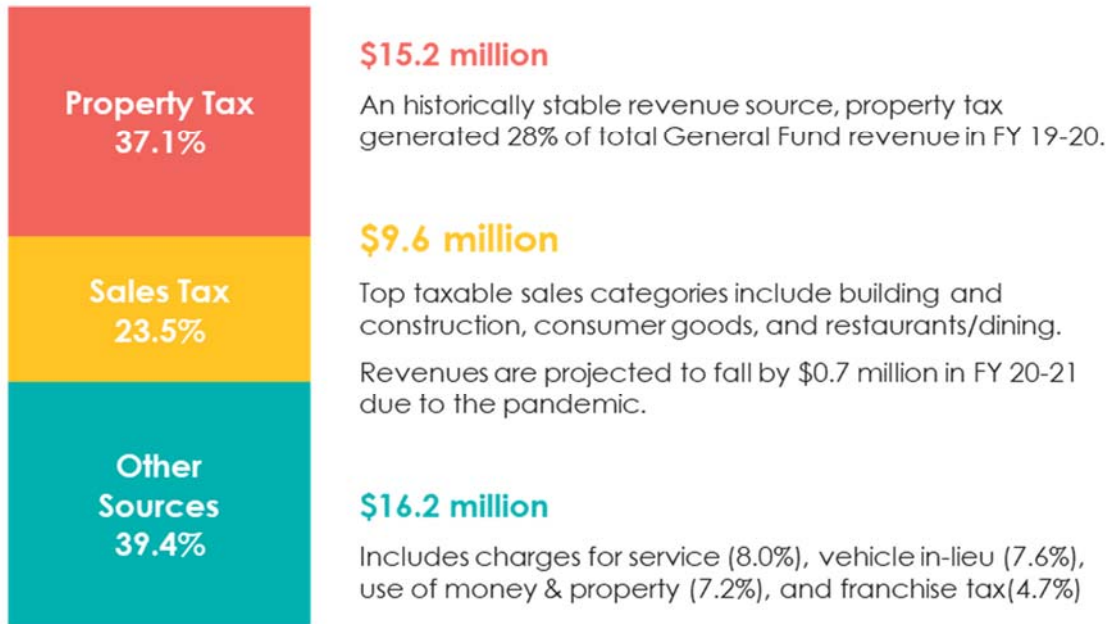
S	W	O	T
Strengths	Weaknesses	Opportunities	Threats
<ul style="list-style-type: none"> - Ideal location - Access to highways, railways, and airways - Caltrain station - High quality of life - Business diversity - Building and construction destination - Partnership with Chamber San Mateo County 	<ul style="list-style-type: none"> - Housing availability and affordability - Traffic congestion - Limited space for businesses to grow/expand - Lack of affordable childcare options - High cost of living 	<ul style="list-style-type: none"> - Future large-scale office/R&D developments - Arts/culture - Community events/activities - Potential for new transit-oriented development near Caltrain station 	<ul style="list-style-type: none"> - Economic uncertainty and recovery from COVID-19 pandemic - Climate change

Economic Recovery in Response to COVID-19

The ongoing COVID-19 pandemic has affected all economic sectors and is significantly threatening the City’s business vitality and fiscal sustainability. Although the full fiscal consequences from the pandemic are still uncertain, recent staff projections estimate a fiscal deficit for the FY 2020-21 base operating budget of approximately \$430,000.

FY 2020-21 General Fund Revenue Sources

(\$41.0 million)



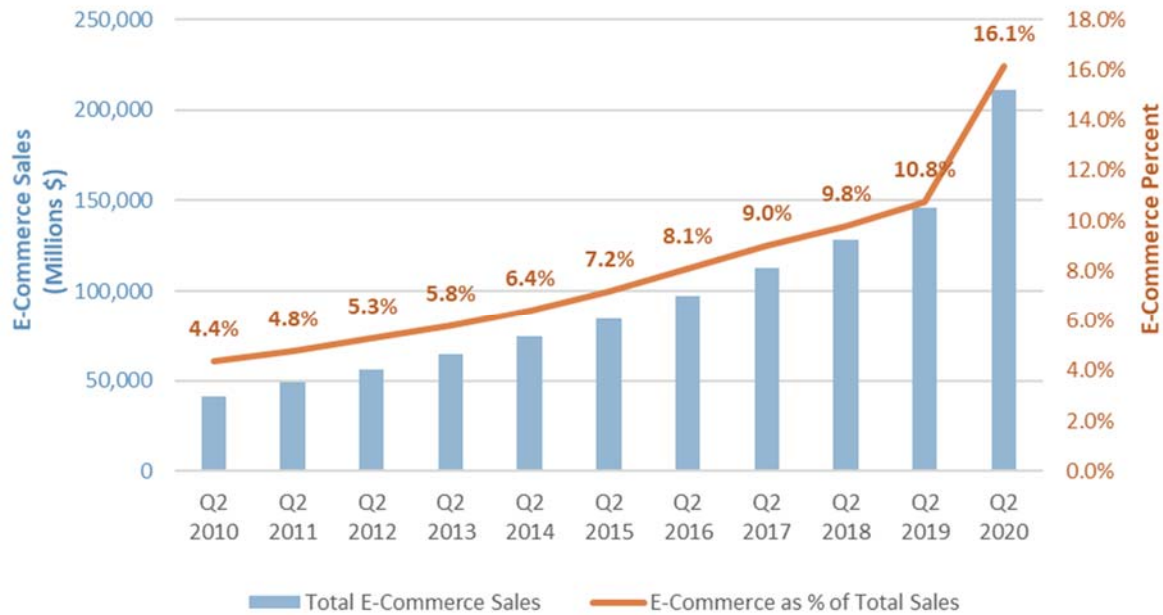
City Initiatives to Help Local Businesses

Despite its recent fiscal challenges, the City has taken several proactive steps to support residents and businesses during the pandemic, including:

- Establishing a Tenant Assistance Program with initial funding of \$112,000;
- Donating \$112,000 to the San Mateo County Strong Fund to provide support to small businesses in San Carlos;
- Donating \$70,000 to One Life Counseling Program to support its food distribution program;
- Donating \$20,000 to the Caring Cupboard food assistance program;
- Donating \$110,000 to the San Mateo County Restaurant, Brewery, and Winery Relief Program;
- Temporarily closing portions of Laurel Street and eliminating parking on portions of Laurel Street and San Carlos Avenue to allow restaurants and businesses to use the right-of-way to extend outdoor dining and showcase merchandise;
- Approving Street/Bicycle Loop Plans to encourage pedestrian activity; and
- Easing zoning restrictions on child-care operators.

Long-term Impact on Retail and Restaurants

The COVID-19 pandemic has also accelerated trends in the retail sector with more online sales of goods and shifts in how restaurants operate. E-commerce sales as a percent of total U.S. sales jumped to over 16 percent by the second quarter of 2020 compared to a year earlier. This continuing shift puts pressure on local retailers who must stay competitive by developing or enhancing an online sales strategy to complement and support their physical shop.



Source: U.S. Census Bureau, Monthly Retail Trade Survey.

According to a study by the business consultancy McKinsey & Company, the U.S. casual and fine dining segments have suffered the worst declines in gross revenue in 2020 during the pandemic, ranging from 70 to 80 percent declines compared to their 2019 revenues. Quick service restaurants and fast casual restaurants have been impacted less: a 25 to 35 percent decline for quick service establishments and a 45 to 55 percent decline for fast casual eateries. Fast food pizza is the only category that has shown growth in sales during the health crisis.

Economic recovery will differ by restaurant type and McKinsey projects that casual and fine dining restaurants will be the slowest to recover, with fine dining not expected to regain pre-COVID sales until mid-2024. Pizza chains, quick service restaurants, and fast casual restaurants are anticipated to recover the fastest starting in 2021.

Looking forward, the National Restaurant Association anticipates that the off-premises market –carryout, delivery, drive-thru, and mobile units—is where the majority of industry growth is going to come from over the next 10 years. The market has already seen the emergence of “ghost kitchens” that have delivery only service and food halls curated to suit local tastes with both food and retail pairings.

The National Restaurant Association also anticipates that restaurants will be smaller, reflecting a higher percentage of food sales that go off-premises. In a recent survey of consumers conducted by Deloitte, nearly a quarter of respondents reported that their new, more frequent takeout and delivery habits adopted during the pandemic would be permanent.



Plan Organization

Themes and Strategic Priorities

The 2021-2024 Plan is organized around four major themes and eleven strategic priorities:



Nurture Placemaking and Beautification
Invest in placemaking, beautification, and amenities to enhance quality of life and strengthen the City’s reputation as the “City of Good Living.”

STRATEGIC PRIORITIES:

- Sustain the Unique Character of Downtown
- Activate the Public Realm
- Promote Environmental Sustainability
- Support the Arts and Cultural Sector



Support Enhanced Connectivity and Mobility
Identify, fund, and deploy strategies and solutions to reduce congestion and better connect people to jobs, retail, and services.

STRATEGIC PRIORITIES:

- Support and Encourage the Use of Alternative Transportation Modes
- Deploy New Technologies and Solutions to Increase Connectivity, Improve Parking, and Reduce Congestion



Foster Growth in the Business Community
Support, retain, and attract businesses by improving the business environment and creating new opportunities for growth.

STRATEGIC PRIORITIES:

- Improve the Business Climate
- Create New Opportunities for Business Growth and Expansion



Encourage Smart Real Estate Development
Proactively plan for future growth to foster a sustainable, amenity-rich community and facilitate the development of new high-quality housing affordable to a range of income levels.

STRATEGIC PRIORITIES:

- Expand the Supply of Housing
- Proactively Plan for Future Growth
- Increase Access to Affordable Childcare

Focus Areas

The 2021-2024 Plan includes a set of implementation actions to achieve each of the eleven strategic priorities. The map below identifies the unique sub-areas that were used to organize and locate the implementation actions. Discussions with EDAC members highlighted the unique needs, challenges, and priorities for economic growth in each sub-area. The implementation actions respond to these needs, challenges, and priorities and are designed to build upon the unique strengths and attributes of each area. As mentioned above, the full economic consequences from the COVID-19 pandemic are still uncertain; hence, the implementation actions presented here have been designed to be flexible and dynamic to respond to an evolving economic and real estate market environment.





Downtown

The historic Downtown is the primary shopping and dining district in San Carlos, located on Laurel Street and extending from San Carlos Avenue to Arroyo Avenue. This area is essential to what defines the City as a unique community within San Mateo County. No other city has the same mix of physical characteristics, including shops and excellent pedestrian amenities, combined with a high concentration of locally-owned small businesses offering a diverse range of shopping and dining options. While there are other shopping centers in the City, this area is the most pedestrian friendly and provides many free, public parking options.

Downtown is also the closest commercial district to the San Carlos Caltrain station and the SamTrans San Carlos Transit Center, which provides access to bus routes connecting the City to the rest of San Mateo County. These transit options provide opportunities to increase the development intensity Downtown without necessarily triggering increased traffic congestion.

S	W	O	T
Strengths	Weaknesses	Opportunities	Threats
<ul style="list-style-type: none"> - Small-scale village feel - The City's 'Living Room' where people go to socialize & mingle - Caltrain station 	<ul style="list-style-type: none"> - Traffic congestion - Limited availability of affordable commercial space - Lack of distinct visual identity 	<ul style="list-style-type: none"> - Arts/culture - Community events/activities - Potential for new transit-oriented development near Caltrain station - Improved wayfinding signage 	<ul style="list-style-type: none"> - Economic uncertainty and recovery from COVID-19 pandemic



South Laurel (SOLA)

Affectionately called SOLA by many locals, the area along Laurel Street south of Arroyo Street has a more mixed-use character than Downtown, with shops, offices, services, medical offices, multi-family housing, and even single-family homes. There is a greater mix of building heights, with many two- and three-story, mixed-use buildings. Although the southern end of SOLA is anchored by new and popular dining establishments, many of the storefronts along the remaining portions of Laurel Street are broken up by inactive ground-floor uses.

Given the parcel sizes and existing development pattern in the area, there are opportunities to redevelop underutilized parcels in SOLA. Although some of the vacant or underutilized parcels on south Laurel may be too small for a vertically mixed-use building, in combination they could accommodate a variety of uses at different sites in close proximity to one another.

S	W	O	T
Strengths	Weaknesses	Opportunities	Threats
<ul style="list-style-type: none"> - Diverse mix of uses - Cluster of popular restaurants at the southern end 	<ul style="list-style-type: none"> - Inactive uses and “gaps in the teeth” - No strong visual identity 	<ul style="list-style-type: none"> - Community events/activities - Mixed use redevelopment - Shared parking management strategies 	<ul style="list-style-type: none"> - Economic uncertainty for retail uses and recovery from COVID-19 pandemic



Industrial Arts District

This specially zoned area, bounded by Old County Road, American Street, Industrial Road, and Varian Street, is intended to promote and preserve small-scale industrial, artisan, and manufacturing uses. These businesses typically focus on producing small, often high-end products, such as furniture, clothing, and food and beverage products. Zoning in the district also allows small-scale retail uses that serve local employees and visitors.

The Industrial Arts District is supported by an Industrial Arts Business Association (IABA) and is home to an eclectic mix of artisan and craft businesses. The Mid-Peninsula Wine Trail in the District now boasts five wineries all within one block of each other and attracts visitors throughout the region.

S	W	O	T
Strengths	Weaknesses	Opportunities	Threats
<ul style="list-style-type: none"> - Secure zoning - Industrial Arts Business Association (IABA) - Burgeoning food and beverage destination 	<ul style="list-style-type: none"> - Incomplete pedestrian network - Inadequate street lighting 	<ul style="list-style-type: none"> - Public art - Place-building activities - Artisan and crafts business attraction 	<ul style="list-style-type: none"> - Economic uncertainty and recovery from COVID pandemic



East Side Area

San Carlos' East Side Area generally refers to the area east of Old County Road, which is home to a significant residential community and the City's major business and commercial district. The area is defined by excellent access to Highway 101 and large parcels that can accommodate light industry and manufacturing, office buildings, and retail outlets serving regional markets.

The East Side Area supports most of the jobs in San Carlos and has the most diverse mix of companies in the City. Thanks to a robust cluster of building and construction materials and supplies businesses, the area has developed an identity as a regional home improvement destination. The East Side Area is also a growing life science and biotech hub, with more than 2.5 million square feet of new biotechnology, life sciences, and high-tech office uses in the development pipeline as of early 2021.

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Strengths	Weaknesses	Opportunities	Threats
<ul style="list-style-type: none"> - Access to highways, railways, and airways - Regional home improvement destination - Large parcels 	<ul style="list-style-type: none"> - Limited amount of retail/services - Poor last mile connections for bicyclists and pedestrians 	<ul style="list-style-type: none"> - Future large-scale office/R&D developments in pipeline - East Side Innovation District planning process - Improved connections to Downtown and transit 	<ul style="list-style-type: none"> - Economic uncertainty and recovery from COVID pandemic - Ongoing disruption in the retail sector



Implementation Actions

Nurture Placemaking and Beautification

STRATEGIC PRIORITY: SUSTAIN THE UNIQUE CHARACTER OF DOWNTOWN

Ensuring Downtown San Carlos remains a prime destination for dining and shopping will require preserving its unique character that attracts diverse, local, and small businesses, as well as maintaining and enhancing its pedestrian-friendly urban design. The City can enhance the vibrancy of its Downtown by adopting a Downtown Plan and updating the zoning code to provide greater flexibility for pop-up retail uses. The City recently began a temporary parklet program on Laurel Street in response to COVID-19, which provides a unique case study on how future changes could work. The Chamber of Commerce has historically supported a Farmers' Market in the Downtown every Sunday. The City should continue to identify additional event opportunities and promotional activities to attract more visitors to Downtown. The City should also continue to explore the possibility of establishing a property and business improvement district (PBID) to support new streetscape improvements and enhanced amenities.

IMPLEMENTATION ACTIONS

- Support the development of a public plaza/public gathering space at the City-owned site near Wheeler Plaza.
- Survey Downtown property owners to gauge support for a property improvement district to support new amenities and capital improvements.
- Identify zoning constraints on various retail uses, such as limits on outdoor food trucks, outdoor seating, pop-up retail, outdoor kiosks, music, and other special events. If necessary, update the zoning code to provide greater flexibility for these uses. Consider expanding the temporary parklet program.
- Consider expanding the area subject to the City's formula business ordinance.
- Maintain the current program of City events and identify new event opportunities in partnership with business advocacy organizations.
- Support existing marketing programs and continue to pursue additional promotional opportunities.
- Promote the maintenance, restoration, and rehabilitation of historical buildings, signage, and other artifacts.
- Support the development of a Downtown Plan and improvements to the streetscape including sidewalks, crosswalks, planters, trees, and any other items identified during the planning process.

Nurture Placemaking and Beautification

STRATEGIC PRIORITY: ACTIVATE THE PUBLIC REALM

Beautification projects and pedestrian-oriented streetscape improvements can help activate the public realm and make the City's streetscapes more aesthetically engaging. Improvements can include façade enhancements, new street trees, parklets, additional lighting and landscaping, sidewalk furnishings, or other amenities.

There are significant opportunities to enhance streetscaping in the East Side Area through the recently approved East Side Innovation District Vision Plan. The East Side Innovation District Vision Plan addresses future street design, sidewalk design, and landscape standards in the commercial areas between Old County Road, Highway 101, Holly Street, and Brittan Avenue. Future phases may also eventually address streetscaping standards in other commercial areas within the greater East Side Area. In the near term, the City should prioritize facilitating new sidewalk and street lighting improvements in the Industrial Arts District, which currently has an incomplete network of improved sidewalks. Additional aesthetic enhancements to design and public displays of art could also promote the Industrial Arts District's appeal as an important artisan and crafts business destination.

IMPLEMENTATION ACTIONS

Citywide:

- Consider establishing a façade improvement loan program. If desired, program guidelines can be adopted to prioritize certain commercial areas and/or nodes.
- Pursue grant funding to support streetscape improvements such as additional lighting and landscaping, street trees, innovative bike parking, crosswalks, street furniture, and parklets.

Downtown:

- Expand beautification efforts to the area of San Carlos Avenue in Downtown, particularly with regards to extending tree lighting.

Nurture Placemaking and Beautification

STRATEGIC PRIORITY: ACTIVATE THE PUBLIC REALM

IMPLEMENTATION ACTIONS (CONTINUED)

SOLA:

- Invest in the development of a periodic street fair or other new recurring special event on South Laurel Street.

Industrial Arts District:

- Support beautification activities that communicate and reinforce the District's artisan and craft culture and character.
- Help facilitate place-building activities and events in the district.
- Facilitate new sidewalk and street lighting improvements.
- Consider enacting limits on long-term large vehicle parking.

East Side Area:

- Facilitate new streetscape improvements as envisioned in the East Side Innovation District Vision Plan.
- Consider enacting limits on long-term large vehicle parking.

Nurture Placemaking and Beautification

STRATEGIC PRIORITY: PROMOTE ENVIRONMENTAL SUSTAINABILITY

To support and encourage environmental sustainability, the City developed and adopted a Climate Action Plan in 2009. The Plan's twenty-three measures were designed to allow the City to meet its reduction goals in the areas of energy use, transportation and land use, and solid waste by 2030. The City continues to work toward reducing greenhouse gas emissions and has recently approved an updated Climate Action Plan.

IMPLEMENTATION ACTIONS

Citywide:

- Support the implementation of the approved Climate Mitigation and Adaptation Plan. Use the planning process as a means to encourage business engagement and develop new strategies and actions to build the City's resilience to climate change.
- Adopt design standards to ensure that new development incorporates sustainable design materials and features. Consider expedited permit processing or fee reductions for green buildings.
- Support the transition to alternative fuel vehicles by increasing the supply of electric vehicle stations in the City.
- Facilitate environmental sustainability through green infrastructure improvement projects.
- Continue to identify and promote San Carlos businesses that adopt sustainable practices and/or businesses that develop new technologies to achieve sustainability goals.

Nurture Placemaking and Beautification

STRATEGIC PRIORITY: SUPPORT THE ARTS AND CULTURAL SECTOR

With new planned and proposed mixed-use developments, there are increasing opportunities to provide additional arts and cultural attractions and expand entertainment options in the City. Investing in creating robust arts and cultural opportunities will enhance overall quality of life and support the City's efforts to retain and attract high-skilled workers. These investments will also ensure that all City residents can enjoy increased access to arts and cultural programming.

IMPLEMENTATION ACTIONS

Citywide:

- Consider requiring new development to provide public art. Developers of new private developments could have the option of providing public art on-site or paying an in-lieu fee contribution to a public art fund.
- Work with arts organizations to facilitate the development of a new art gallery in San Carlos.
- Create an inventory of existing arts and cultural assets, including local community groups such as the Community Foundation, to build awareness and encourage additional collaboration.
- Conduct an inventory of potential sites and spaces to accommodate new arts, cultural, and event uses in San Carlos.

Support Enhanced Connectivity and Mobility

STRATEGIC PRIORITY: SUPPORT AND ENCOURAGE THE USE OF ALTERNATIVE TRANSPORTATION MODES

Having a reliable, efficient, and affordable multi-modal transportation system is vital to connecting workers and residents to jobs, opportunities, and destinations in San Carlos. The City has finalized and approved a Bicycle and Pedestrian Master Plan, which will significantly improve the City's bicycling and pedestrian network and encourage the use of alternative transportation modes. Given the importance of the East Side Area to the City's economy, the City should continue to pursue opportunities for linking the east side to the Caltrain station and amenities in Downtown and SOLA, whether through Transportation Demand Management (TDM) programs for existing businesses, shuttles, new micro-mobility options, or street and pedestrian safety improvements.

IMPLEMENTATION ACTIONS

Citywide:

- Implement the project, program, and policy change recommendations in the City's Bicycle and Pedestrian Master Plan.
- Explore new mobility technologies and potential public/private partnerships to test new micro-mobility options and initiate pilot programs.
- Ensure that the City's transportation options are available and affordable to all workers and residents, especially those with limited income.
- Explore Transportation Demand Management (TDM) programs for existing businesses to decrease single-occupancy vehicle commuting.

Downtown & SOLA:

- Pursue funding opportunities for improvements to improve walkability along El Camino Real and Laurel Street.

Industrial Arts District & East Side Area:

- Pursue funding opportunities for improvements to facilitate the creation of physical linkages to Caltrain and Downtown from the east side.

East Side Area:

- Negotiate development agreements with future developers and employers to fund last mile, pedestrian, and/or other infrastructure improvements.

Support Enhanced Connectivity and Mobility

STRATEGIC PRIORITY: DEPLOY NEW TECHNOLOGIES AND SOLUTIONS TO INCREASE CONNECTIVITY, IMPROVE PARKING, AND REDUCE CONGESTION

Completion of the Citywide Wayfinding Project will provide new directional signage and gateways to assist residents and visitors in navigating the City. The signage will help direct people to key destinations such as Downtown, public parking, the Caltrain station, and other important locations in San Carlos. Enabling drivers, pedestrians, and bicyclists to more seamlessly navigate the City has the potential to benefit businesses significantly by reducing congestion and making San Carlos a more accessible and user-friendly place to visit. In addition to completing the Citywide Wayfinding Project, the City should consider additional strategies to improve parking, reduce congestion, and better connect workers and residents to services and retail. Such options can include additional shared parking arrangements, car shares, smart parking technologies, and smart traffic signals.

IMPLEMENTATION ACTIONS

Citywide:

- Support continued implementation of the Citywide Wayfinding Project to install directional signage and gateways throughout the City.
- Increase the use of shared parking management strategies.
- Expand City technology and telecommunications infrastructure. Consider investing in a program to provide free high-speed wireless internet.

Downtown:

- Explore the use of smart parking systems and technologies to help alleviate congestion.

SOLA:

- Explore the use of smart parking systems and technologies to help alleviate congestion.
- Support the completion of a parking study.

Foster Growth in the Business Community

STRATEGIC PRIORITY: IMPROVE THE BUSINESS CLIMATE

The current COVID-19 pandemic is threatening the City's business vitality and fiscal sustainability with adverse impacts across all economic sectors. The success of the City's economic development efforts under this plan will depend on effective engagement with the business community and its advocacy organizations. Regular, consistent communication and information exchange are key to successfully addressing this challenge as well as other ongoing business issues by enabling the early identification of both concerns and innovative solutions.

IMPLEMENTATION ACTIONS

Citywide:

- Develop and implement a formal business outreach strategy. As part of this strategy, formalize an on-site business visitation program, update and promote the existing business directory, and regularly engage with the Chamber of Commerce.
- Continue conducting periodic business needs surveys to understand the evolving needs of the business community in San Carlos.
- Work with the City's employers and business organizations to conduct a survey to understand the evolving needs of employees, including opportunities to address quality of life and social equity issues such as childcare.

Downtown:

- Execute a survey of Downtown business owners to identify new City-sponsored events or promotional activities to attract more visitors Downtown.

SOLA:

- Conduct outreach to owners of vacant or underutilized properties to identify specific barriers to activating their properties. Encourage redevelopment/creative reuse of properties and engage the business community in this effort.

Industrial Arts District:

- Work with the Industrial Arts Business Association (IABA) to promote the district as a prime destination for artisan, craft, and creative businesses. Consider providing additional resources such as funding support or technical assistance.

Foster Growth in the Business Community

STRATEGIC PRIORITY: CREATE NEW OPPORTUNITIES FOR BUSINESS GROWTH AND EXPANSION

San Carlos has long been an incubator for high tech, biotech, and other small knowledge-based businesses. With high-quality research and development spaces, many small offices, and a vibrant community with great amenities, the City is perfectly poised to capture young companies looking for a supportive place to thrive. However, one challenge of meeting the needs of small and growing companies has been the lack of medium to large Class A office space in the City. Future planned large-scale office developments in the East Side Area will likely meet the needs of fast-growing start-ups and maturing companies seeking larger blocks of contiguous space.

A long-term goal of the East Side Area, as stated in the City's General Plan, is to support continued business diversification, while preserving and protecting existing traditional industrial uses and activities. To ensure that San Carlos continues to accommodate existing and new businesses, the City should consider ways it can preserve existing spaces and support the construction of new small-scale and affordable commercial space options.

IMPLEMENTATION ACTIONS

Citywide:

- Support the development of new co-working space, maker space, shared commercial kitchens, and other affordable space options for small businesses and start-ups.
- Activate existing vacant spaces and "gaps in the teeth" with temporary restaurant and retail pop-ups, particularly in the South Laurel district and along El Camino Real.

Foster Growth in the Business Community

STRATEGIC PRIORITY: CREATE NEW OPPORTUNITIES FOR BUSINESS GROWTH AND EXPANSION

IMPLEMENTATION ACTIONS (CONTINUED)

East Side Area:

- Support the future development of new large-scale office developments to serve new biotech, life science, and other office users.
- Once future employment density increases and there is sufficient market support for new retail and services, explore additional opportunities for promoting new development in the most desirable locations.
- Consider whether remaining areas in the East Side Area with high concentrations of flex and industrial space should be preserved to retain these uses. Also consider protecting subareas where existing businesses generate significant taxable retail sales.

Encourage Smart Real Estate Development

STRATEGIC PRIORITY: EXPAND THE SUPPLY OF HOUSING

Like many Bay Area cities, San Carlos struggles with high housing costs. A lack of nearby affordable housing for local workers, particularly low-wage workers, can lead to long commutes, congested highways, and a lower quality of life –as well as difficulties for job recruitment if potential workers can find similar jobs in other areas with a broader range of housing choices. The economic fallout from the recent COVID-19 pandemic has also disproportionately impacted lower income residents and workers in San Carlos. The City Council has made housing a top strategic goal and has taken decisive steps to encourage the production of new housing at all income levels. The City is conducting an economic study to review affordable housing requirements and evaluate potential incentives and alternatives to expand the supply of affordable housing. To meet State mandated housing production goals, the City is undertaking a comprehensive Housing Element update that is anticipated to be completed in 2022.

IMPLEMENTATION ACTIONS

Citywide:

- Prepare informational brochures and materials to highlight the City's existing affordable housing programs.
- Finalize revisions to affordable housing inclusionary requirements that are currently under consideration.
- Pursue additional Federal, state, and local funding opportunities to support infill and affordable housing.
- As part of the Housing Element update, measure San Carlos' jobs-housing fit by evaluating how much housing is available and affordable to lower income workers and identify strategies to provide more affordable housing.
- Encourage additional infill housing in areas that already allow housing by providing technical assistance for construction of Accessory Dwelling Units (ADUs).

Downtown:

- Increase residential development capacity on sites near the Caltrain station to encourage the development of new housing options near transit.

Encourage Smart Real Estate Development

STRATEGIC PRIORITY: PROACTIVELY PLAN FOR FUTURE GROWTH

It is essential for the City to guide thoughtful future development to ensure that San Carlos remains a great place to do business and a vital destination for residents and visitors. To help guide future growth, and to ensure that critical needs are met through future development, the City should take an active role in proactively planning for future change and identifying new development opportunity sites to address targeted areas of need and/or interest.

IMPLEMENTATION ACTIONS

Citywide:

- Create an inventory of potentially developable sites to address targeted areas of need and/or interest, such as new space for non-profits, arts and cultural facilities, co-working and/or collaborative space, and workforce development.
- Design streets, sidewalks, and other public spaces to accommodate social distancing requirements and provide businesses with greater operational flexibility.
- Improve business disaster emergency response and climate change resiliency.

Downtown:

- Support the programming of a Downtown Plan into the City's long-range planning work plan.

East Side Area:

- Support the implementation of the East Side Innovation District Vision Plan to maximize the City's ability to guide and shape future growth and mitigate identified impacts.

STRATEGIC PRIORITY: INCREASE ACCESS TO AFFORDABLE CHILDCARE

There is a strong link between access to childcare and local economic development. Access to affordable childcare enables parents to participate in the labor force or pursue training, leading to increased family income, economic growth, and productivity. This is particularly true for low-wage earners who can often reap large gains from additional education and training. There is much academic literature that shows how early childhood education leads to better educational outcomes later in school and higher earnings over a lifetime. Having adequate childcare facilities in San Carlos also supports sustainability by reducing the length and time of trips between home, work, and childcare. Finally, recent studies have shown that there is a general shortage of childcare in San Mateo County. These are among the reasons childcare needs to be part of the City's 2021-2024 Economic Development Plan.

IMPLEMENTATION ACTIONS

Citywide:

- Participate in countywide childcare advocacy initiatives by partnering with organizations such as the Build Up SMC and the Childcare Coordinating Council of San Mateo County.
- Explore provision of new childcare facilities as part of a community benefits program for major new development projects or through the adoption of a childcare linkage fee.
- Identify sites or existing structures that might be feasible for new childcare facilities.
- Support the development of a childcare resources webpage.

Prioritizing Implementation Actions

To help prioritize the actions in the 2021-2024 Plan, EDAC members were asked to rank the list of implementation actions within each strategic priority in order of importance. The table below shows the full list of actions for each strategic priority, sorted by average ranking score (1=most important).

Strategic Priority: Sustain the Unique Character of Downtown		<i>Avg. Score (1 to 7)</i>
1	Downtown: Identify zoning constraints on various retail uses, such as limits on outdoor food trucks, outdoor seating, pop-up retail, outdoor kiosks, music, and other special events. If necessary, update the zoning code to provide greater flexibility for these uses. Consider expanding the temporary parklet program.	1.4
2	Downtown: Support the development of a public plaza/public gathering space at the City-owned site near Wheeler Plaza.	3.0
3	Downtown: Consider expanding the area subject to the City’s formula business ordinance.	4.4
4	Downtown: Maintain the current program of City events and identify new event opportunities in partnership with business advocacy organizations.	4.6
5	Downtown: Survey Downtown property owners to gauge support for a property improvement district to support enhanced amenities and capital improvements.	4.8
6	Downtown: Promote the maintenance, restoration, and rehabilitation of historical buildings, signage, and other artifacts.	4.8
7	Downtown: Support existing marketing programs and continue to pursue additional promotional opportunities.	5.0
Strategic Priority: Activate the Public Realm		<i>Avg. Score (1 to 8)</i>
1	Citywide: Pursue grant funding to support streetscape improvements such as additional lighting and landscaping, street trees, innovative bike parking, crosswalks, street furniture, and parklets.	3.0
2	Industrial Arts District: Help facilitate place-building activities and events in the district.	3.6
3	Industrial Arts District: Support beautification activities that communicate and reinforce the District’s artisan and craft culture and character.	3.8
4	Citywide: Consider establishing a façade improvement loan program. If desired, program guidelines can be adopted to prioritize certain commercial areas and/or nodes.	4.0
5	Industrial Arts District: Facilitate new sidewalk and street lighting improvements.	4.2
6	SOLA: Invest in the development of a periodic street fair or other new recurring special event on South Laurel Street.	4.8
7	East Side Area: Facilitate new streetscape improvements as part of the East Side Innovation District planning process.	6.0
8	Industrial Arts District & East Side Area: Consider enacting limits on long-term large vehicle parking.	6.6

Strategic Priority: Promote Environmental Sustainability		<i>Avg. Score (1 to 5)</i>
1	Citywide: Support the implementation of the approved Climate Mitigation and Adaptation Plan. Use the planning process as a means to encourage business engagement and develop new strategies and actions to build the City's resilience to climate change.	2.2
2	Citywide: Adopt design standards to ensure that new development incorporates sustainable design materials and features. Consider expedited permit processing or fee reductions for green buildings.	2.4
3	Citywide: Facilitate environmental sustainability through green infrastructure improvement projects.	3.4
4	Citywide: Continue to identify and promote San Carlos businesses that adopt sustainable practices and/or businesses that develop new technologies to achieve sustainability goals.	3.4
5	Citywide: Support the transition to alternative fuel vehicles by increasing the supply of electric vehicle stations in the City.	3.6
Strategic Priority: Support the Arts and Cultural Sector		<i>Avg. Score (1 to 4)</i>
1	Citywide: Consider requiring new development to provide public art. Developers of new private developments could have the option of providing public art on-site or paying an in-lieu fee contribution to a public art fund.	1.4
2	Citywide: Work with arts organizations to facilitate the development of a new art gallery in San Carlos.	2.8
3	Citywide: Conduct an inventory of potential sites and spaces to accommodate new arts, cultural, and event uses in San Carlos.	2.8
4	Citywide: Create an inventory of existing arts and cultural assets, including local community groups such as the Community Foundation, to build awareness and encourage additional collaboration.	3.0
Strategic Priority: Support and Encourage Alternative Transportation Modes		<i>Avg. Score (1 to 7)</i>
1	Citywide: Implement the project, program, and policy change recommendations in the City's Bicycle and Pedestrian Master Plan.	2.6
2	Industrial Arts District & East Side Area: Pursue funding opportunities for improvements to facilitate the creation of physical linkages to Caltrain and Downtown from the east side.	3.2
3	Downtown & SOLA: Pursue funding opportunities for improvements to improve walkability along El Camino Real and Laurel Street.	3.6
4	Citywide: Ensure that the City's transportation options are available and affordable to all workers and residents, especially those with limited income.	3.8
5	East Side Area: Negotiate development agreements with future developers and employers to fund last mile, pedestrian, and/or other infrastructure improvements.	4.0
6	Citywide: Explore Transportation Demand Management (TDM) programs for existing businesses to decrease single-occupancy vehicle commuting.	4.6
7	Citywide: Explore new mobility technologies and potential public/private partnerships to test new micro-mobility options and initiate pilot programs.	6.2

Strategic Priority: Deploy New Technologies and Solutions to Increase Connectivity, Improve Parking, and Reduce Congestion		<i>Avg. Score (1 to 5)</i>
1	Downtown & SOLA: Explore the use of smart parking systems and technologies to help alleviate congestion.	2.6
2	Citywide: Support continued implementation of the Citywide Wayfinding Project to install directional signage and gateways throughout the City.	2.8
3	Citywide: Increase the use of shared parking management strategies.	2.8
4	Citywide: Expand City technology and telecommunications infrastructure. Consider investing in a program to provide free high-speed wireless internet.	2.8
5	SOLA: Support the completion of a parking study.	4.0
Strategic Priority: Improve the Business Climate		<i>Avg. Score (1 to 6)</i>
1	Citywide: Develop and implement a formal business outreach strategy. As part of this strategy, formalize an on-site business visitation program, update and promote the existing business directory, and regularly engage with the Chamber of Commerce.	2.8
2	Citywide: Continue conducting periodic business needs surveys to understand the evolving needs of the business community in San Carlos.	2.8
3	SOLA: Conduct outreach to owners of vacant or underutilized properties to identify specific barriers to activating their properties. Encourage redevelopment/ creative reuse of properties and engage the business community in this effort.	3.0
4	Industrial Arts District: Work with the Industrial Arts Business Association (IABA) to promote the district as a prime destination for artisan, craft, and creative businesses. Consider providing additional resources such as funding support or technical assistance.	3.0
5	Citywide: Work with the City's employers and business organizations to formulate and conduct a survey to understand the evolving needs of employees, including opportunities to address quality of life and social equity issues.	4.4
6	Downtown: Execute a survey of Downtown business owners to identify new City-sponsored events or promotional activities to attract more visitors Downtown.	5.0
Strategic Priority: Create New Opportunities for Business Growth and Expansion		<i>Avg. Score (1 to 5)</i>
1	Citywide: Activate existing vacant spaces and "gaps in the teeth" with temporary restaurant or retail pop-ups, particularly in the South Laurel district and along El Camino Real.	1.8
2	Citywide: Support the development of new co-working space, maker space, shared commercial kitchens, and other affordable space options for small businesses and start-ups.	2.2
3	East Side Area: Support the future development of new large-scale office developments to serve new biotech, life science, and other office users.	2.8
4	East Side Area: Once future employment density increases and there is sufficient market support for new retail and services, explore additional opportunities for promoting new development in the most desirable locations.	3.6
5	East Side Area: Consider whether remaining areas in the East Side Area with high concentrations of flex and industrial space should be preserved to retain these uses. Also consider protecting subareas where existing businesses generate significant taxable retail sales.	4.6

Strategic Priority: Expand the Supply of Housing		<i>Avg. Score (1 to 6)</i>
1	Citywide: Pursue additional Federal, state, and local funding opportunities to support infill and affordable housing.	2.6
2	Downtown: Increase residential development capacity on sites near the Caltrain station to encourage the development of new housing options near transit.	2.8
3	Citywide: Encourage additional infill housing in areas that already allow housing by providing technical assistance for construction of Accessory Dwelling Units (ADUs).	3.4
4	Citywide: As part of the Housing Element update, measure San Carlos' jobs-housing fit by evaluating how much housing is available and affordable to lower income workers and identify strategies to provide more affordable housing.	3.8
5	Citywide: Prepare informational brochures and materials to highlight the City's existing affordable housing programs.	4.0
6	Citywide: Consider revising affordable housing inclusionary requirements.	4.4

Strategic Priority: Proactively Plan for Future Growth		<i>Avg. Score (1 to 5)</i>
1	East Side Area: Support the preparation of the East Side Innovation District Vision Plan to maximize the City's ability to guide and shape future growth and mitigate identified impacts.	2.2
2	Citywide: Create an inventory of potentially developable sites to address targeted areas of need and/or interest, such as new space for non-profits, arts and cultural facilities, co-working and/or collaborative space, and workforce development.	2.4
3	Citywide: Design streets, sidewalks, and other public spaces to accommodate social distancing requirements and provide businesses with greater operational flexibility.	3.2
4	Citywide: Improve business disaster emergency response and climate change resiliency.	3.6
5	Downtown: As resources permit, support the programming of a Downtown Plan into the City's long-range planning work plan.	3.6

Strategic Priority: Increase Access to Childcare (added after EDAC survey)