



COMMUNITY  
DEVELOPMENT (925) 672-6690  
ENGINEERING (925) 672-9700

6000 HERITAGE TRAIL • CLAYTON, CALIFORNIA 94517-1250  
TELEPHONE (925) 672-3622 FAX (925) 672-4917

*City Council*  
PETER A. LAURENCE, *MAYOR*  
PHYLLIS L. PETERSON, *VICE MAYOR*  
RICHARD A. LITTORNO  
GREGORY J. MANNING  
JULIE K. PIERCE

## STAFF REPORT

**Council**  
**Meeting Date:** November 2, 1999  
**To:** City Council  
**From:** Richard Hill, City Manager  
**Subject:** Economic Development Task Force Report

---

### REQUEST

Consider the submission of the final report from the Economic Development Task Force and provide staff with direction regarding the recommendations from that report.

### DISCUSSION

The Economic Development Task Force was created by the City Council at the recommendation of the, then, Mayor, Rich Littorno. The Visions meeting of May 29, 1998, the Keyser Marston Town Center Development Potential Report, as well as the recognition of new development in the Town Center, including Diablo Village, the PAM project, the children's care center and a proposal for commercial development at the corner of Marsh Creek Road and Center Street have renewed interest in the economic viability of Clayton Town Center. The goal of the Task Force was to bring together the policy making officials of the City and members of the Town Center Business community to plan, prepare and prescribe the implementation process for an effort to bring enhanced economic vitality to the Clayton Town Center.

The Task Force met periodically for about eighteen months. During that time, as the attached report discusses, the members of the Task Force reviewed, recommended and implemented programs for the Town Center to enhance its economic vitality. The programs that the Task Force recommends, but remain unimplemented are:

- *Town Center Parking.* The Task Force reviewed this matter in depth and makes the following recommendations:
  - Have Planning staff review current parking requirements of one for every 250 square feet of building, and return to Council with a less restrictive requirement.
  - Consider acquisition of and improvement of public parking lots.

- Consider as part of development approvals for the Town Center shared parking between businesses, and reserving use on private parking areas for event parking.
  - Consider the establishment of In Lieu Parking fees to pay for off site public parking improvements, and which will increase the available square footage for Town Center retail and commercial development.
  - Consider establishing a Town Center parking district to help pay for the building and maintenance of public parking.
- *Signage.* The Task Force makes the following recommendations with regard to signage for the downtown:
    - The Task Force recommends the installation of Town Center directional signs in Clayton. The recommended locations are: west bound Clayton Road, just past the easternmost traffic signal at Marsh Creek Road; and, west bound Clayton Road approaching the westernmost signal on Marsh Creek Road.
    - The Task Force recommends installation of City Limit signs on east bound Pine Hollow Road and west bound Clayton Road.
    - The Task Force recommends a very simple wooden or wood like in appearance lettering, spelling out City Hall, at the top of the City Hall building on the wall facing Clayton Road.
  - *Other Information and Referral.* The Task Force recommends that an effort be made to identify and contact home businesses in Clayton to establish a Clayton Home Business Association. At the request of the Committee staff has developed the attached map of undeveloped sites in the Town Center.

## **RECOMMENDATION**

Receive and file the Report of the Economic Development Task Force and provide direction to staff on the recommendations.

## **ATTACHMENTS**

1. Economic Development Task Force Report.

# REPORT OF THE ECONOMIC DEVELOPMENT TASK FORCE

Presented to the City of Clayton City Council: November 2, 1999



## TASK FORCE MEMBERS:

Rich Littorno, Chair  
Pete Laurence  
Skip Ipsen  
Betty Weibert  
Jeffery Martin  
Ed Moresi

## TABLE OF CONTENTS

Executive Summary .....	1
Introduction .....	4
Economic Development of Clayton Town Center .....	6
Market Development Activities .....	7
Develop a Market Strategy .....	7
Upgrade and Enhance Municipal Facilities .....	7
Signage Issues .....	9
Other Information and Referral Recommendations .....	10
Business Creation Activities .....	11
Bank Services .....	11
Bed and Breakfast .....	11
Post Office .....	11
Grove Property Acquisition .....	12
Other Businesses .....	12
Conclusion .....	12
Appendices .....	14
Visions Meeting .....	Exhibit A
Keyser Marston Associates, Inc. Downtown Development Potential .....	Exhibit B
Happy 35 <sup>th</sup> Anniversary, Green's Public Relations Firm .....	Exhibit C
Town Center Map .....	Exhibit D

## EXECUTIVE SUMMARY

The Economic Development Task Force was created by the City Council at the recommendation of the, then, Mayor, Rich Littorno. The Visions meeting of May 29, 1998, the Keyser Marston Town Center Development Potential Report, as well as the recognition of new development in the Town Center, including Diablo Village, the PAM project, the children's care center and a proposal for commercial development at the corner of Marsh Creek Road and Center Streets have renewed interest in the economic viability of Clayton Town Center. The goal of the Task Force was to bring together the policy making officials of the City and members of the Town Center Business community to plan, prepare and prescribe the implementation process for an effort to bring enhanced economic vitality to the Clayton Town Center. In pursuit of this goal, the Task Force identified two areas for consideration and discussion, market development activities and specific business creation ideas. The market development activities are those that would create a fertile ground for business development, and business creation ideas identify specific business or class of business that should do well in the Clayton Town Center.

### Market Development Activities

**Market Strategy.** In its discussion of a market strategy, the Task Force took advantage of a promotional idea from Greens Publications to celebrate the City of Clayton's 35<sup>th</sup> anniversary to fund a brochure summarizing the demographics of the City.

**Upgrade and Enhance Municipal Facilities.** The Task Force either participated in the review or recommendation of the following enhancements of the Town Center Municipal Facilities.

- *Rehabilitation of Endeavor Hall.* The Task Force reviewed two proposals and recommended to the Council the proposal that included the purchase of neighboring property. The Council has approved \$1.2 million for the project.
- *Center Street revitalization.* The Task Force reviewed several options for the redesign of Center Street, and recommended to Council the comprehensive proposal that was eventually approved for \$2 million as part of the Capital Improvement Plan.
- *Town Center Parking.* The Task Force reviewed this matter in depth and makes the following recommendations:
  - Have Planning staff review current parking requirements of one for every 250 square feet of building, and return to Council with a less restrictive requirement.
  - Consider acquisition of and improvement of public parking lots.
  - Consider as part of development approvals for the Town Center shared parking between businesses, and reserving use on private parking areas for event parking.
  - Consider the establishment of In Lieu Parking fees to pay for off site public parking improvements, and which will increase the available square footage for Town Center retail and commercial development.



- Consider establishing a Town Center parking district to help pay for the building and maintenance of public parking.
- *Signage.* The Task Force makes the following recommendations with regard to signage for the downtown:
  - At the recommendation of the Task Force the Council directed staff to contact the City of Concord to place three directional signs for Clayton's historic town center. Those signs were installed.
  - At the recommendation of the Task Force \$15,000 has been budgeted for a new Clayton Town Center monument sign.
  - The Task Force recommends the installation of Town Center directional signs in Clayton. The recommended locations are: west bound Clayton Road, just past the easternmost traffic signal at Marsh Creek Road; and, west bound Clayton Road approaching the westernmost signal on Marsh Creek Road.
  - The Task Force recommends installation of City Limit signs on east bound Pine Hollow Road and west bound Clayton Road.
  - Based in part on a recommendation from the Task Force, a Trail Committee was reestablished to recommend a signage plan and develop a trail map.
  - The Task Force recommends a very simple wooden or wood like in appearance lettering, spelling out City Hall, at the top of the City Hall building on the wall facing Clayton Road.

**Other Information and Referral.** The Task Force recommends that an effort be made to identify and contact home businesses in Clayton to **establish a Clayton Home Business Association.** At the request of the Committee staff has developed the attached map of undeveloped sites in the Town Center.

*Business Creation Activities*

The Task Force discussed several ideas for businesses that would be appropriate for the Town Center. The Keyser Marston report also suggested business. Because the Keyser Marston report is attached as a reference to this report, the following are suggestions not identified in the report.

- Banking Services
- Bed and Breakfast
- Post Office Relocation. The Task Force did assist in working with the Postal Service for a new Town Center site for the Post Office.
- The Task Force recommended to the Council the acquisition of the Grove Property for a park and commercial development. The property has been acquired.
- Other desired businesses include: antique shops, ice cream shop, non-franchise restaurants and dining, and a bakery.

In addition to the above, the Task Force recommends that when considered geographically the

Town Center include the Civic Center, the proposed new Fire Station site, and the south side of the properties adjacent to High Street. The Task Force recognizes that the economic development of Clayton Town Center is not an easy task, but we believe it is not an impossible one. While this report represents the concluding activity of this Task Force, we recommend that, should the need arise in the future, this Task Force or one like it be resurrected to review and provide further input and recommendation on the economic development of the Town Center.

# *ECONOMIC DEVELOPMENT COMMITTEE REPORT*

## **INTRODUCTION**

In August 1998 and at the request of the Mayor Rich Littorno, the City Council approved the creation of the Economic Development Task Force, an ad hoc committee to comprise two Council Members, two Planning Commissions and various representatives from the Town Center business community. The motivation for this request came from observing the fundamental changes that are occurring in Town Center. The elements of these changes include the development of the Children's Center, the proposed senior assisted living facility, the Keyser Marston Market Study for Town Center, the build-out of Oakhurst, and the recent successes of the Town Center events such as the Fourth of July and the Art and Wine Festival. These changes indicate a vibrant, healthy and growing Town Center. With some planning, policy support from the City Council, and effort to implement more programs that foster commercial development, **the Town Center can become a viable and active economic niche that can contribute consumer services to the greater Clayton community, and revenues to the City of Clayton budget.** The goal of this Task Force is to bring together the policy making officials of the City and members of the Town Center business community to plan, prepare and prescribe the implementation process for an effort to bring enhanced economic vitality to the Clayton Town Center.

### *The Visions Meeting May 29, 1998*

Friday, May 29, 1998 the City Council held a special meeting facilitated by Lonnie Hayhurst to review the Council vision for the City of Clayton. This process considered all of Clayton and the municipal services that could be provided for Clayton, but there was also a focus on the Town Center and opportunities for commercial and economic development. The meeting was open to the public. In addition to the City Council and the public, members from the Planning Commission and Community Services Commission were invited to participate. The minutes of the meeting are attached showing some consistent thoughts as to what the vision of the Town Center should be:

- Develop a Town Center park
- Develop the Grove Property into a park with a gazebo
- Maintain the Old West theme and architectural standards
- Increase the economic vitality of Town Center
- Specific suggestions for Town Center businesses included boutique shops and: restaurants, tea shops, antiques, and bed and a breakfast facility
- Keep the Post Office downtown and at a more accessible location
- Maintain land for office space
- Manage the development of the commercial property to ensure that it fits into the Clayton theme
- Market the Town Center to attract commercial development

### *Keyser Marston Town Center Development Potential Report*



In 1997, or perhaps a bit earlier, the Presley company began exploring residential uses for property zoned commercial. This project became known as the Diablo Village/Diamond Terrace project. Diablo Village is a proposal to subdivide property and construct thirty-three single family dwelling units. The Diamond Terrace project proposes an eight-six unit senior assisted living center. Both projects are residential and Presley requested a change in use to accommodate the development. The City required Presley to fund an independent market study to determine the impact of such a change on the economic viability of the Town Center. The firm of Keyser Marston was hired to perform the study.

The Keyser Marston team participated in the visions meeting, and presented their report to the City Council about one month after that meeting. Keyser Marston took a critical analytical look at the Clayton Town Center commercial area. Their task was two fold, determine whether the change of use for the commercial property owned by Presley to residential use would impact the economic viability of Town Center, and identify how best the Town Center could be economically developed. With regard to the first task, the property in question was proposed for a two phased development for residentially classed use. The first phase was the construction of thirty-three residential single family homes. The second phase was the construction of an eighty-six unit senior assisted living center. The Keyser Marston study team recommended the change in use, partly basing that recommendation on Clayton's location a difficulty in attracting the commercial and retail markets. Also the team observed that the original market study for the area anticipated a grocery store and related business to locate on the property; however, Clayton Station, built after the original study, now occupies that market niche.

The report recommended several strategies for bringing commercial and economic activity to the Town Center. Overall the study team suggested that the best approach would be to bring improvements to the Town Center layer by layer like an onion, each layer contributing to a critical mass of economic vitality for the Town Center.

The report also considered the retail uses that would be most successful in Town Center Clayton. The suggested retail tenants included: restaurants, casual dining, food for at home consumption, small specialty stores and destination stores like Clayton Saddlery. A total of 50,000 to 80,000 square feet of retail was suggested along the Main Street and Center Street frontages, and an additional 10,000 to 20,000 square feet was encouraged for the short to intermediate term.

As part of the report the Keyser Marston team also suggested ideas to support the economic development of Town Center. These suggestions include:

- small scale offices, perhaps augmenting Clayton's at home business population
- additional office space most particularly on Center Street.
- community serving uses such as a day care center.
- support recreational and promotional events
- improved Town Center signage
- assure adequate and nearby parking. A parking ratio of 3.5 to 4 spaces per

thousand square feet of retail was suggested.

The report also noted the results from the Keyser Marston team's stakeholder interviews to assess the range of desired uses for the Town Center. The following is a partial list of the suggested uses or Town Center ideas from the stakeholders:

- make Town Center a destination
- maintain quaint historic identity
- consistency of architecture and signage
- focus on walkability
- develop a diversity of uses
- downtown Los Gatos, Los Altos, San Luis Obispo and Hemet were suggested as models
- use ground floor spaces for retail and sales tax oriented businesses, and put office uses on the second floor

The report continued to discuss the stakeholder's ideas of strategies and weaknesses for the Clayton Town Center. To a certain extent the strengths of Clayton as a residential living community have become some weaknesses to attracting business to the Town Center. Clayton is a community on the outskirts of urban development. Assessment districts and other taxing devices have been implemented to bring up the level of municipal services for the community. Nonetheless the Keyser Marston team believes that an economically viable Town Center can happen with good planning and an affirmative effort and commitment on the part of policy makers for its success.

## **ECONOMIC DEVELOPMENT OF CLAYTON TOWN CENTER**

The Task Force has agreed that while it is impossible to anticipate events in such away as to precisely prescribe the economic development for the Town Center, the visions process, the Keyser Marston report and the knowledge of the community represented by the Task Force members should provide for a menu of suggestions and opportunities that could lead to the economic viability of the Town Center, providing the Clayton policy makers are flexible enough to take advantage of other unanticipated opportunities as they arise. In discharging its responsibilities the Task Force identified two major areas of concern. The first area of concern were those activities that can set the stage for economic development, such as ideas that would attract business to the Town Center or reduce the perceived barriers of entry. The second area of consideration were the ideas for appropriate business or suggested methods that would bring business to the Town Center.

Once created, a fertile environment for economic development should accomplish two things. First, it should assist in creating a market. One way this can be done is to create market

opportunities. Events such as the art and wine festival bring people into the Town Center create familiarity with Clayton and market potential. Public relations and information campaigns about Clayton can help create market opportunities as well. The second is to attract businesses. Certainly, convincing businesses that Clayton has market potential is important for attracting businesses, but more is needed. Available commercial/retail space is needed. Adequate parking and a regulatory environment receptive to business are also helpful. Mindful of these two aspects of a good business environment the Task Force makes the recommendations detailed below and which are categorized into “Market Creation Activities” and “Business Creation Activities”.

### Market Creation Activities

**Develop a Market Strategy.** Probably the first step in any market plan is the preparation of a brochure that can communicate the elements of the Town Center that would be attractive to businesses. With the assistance of Task Force member and Mayor Pete Laurence, City staff worked with Green Publication to create an information piece for a brochure that was to be published in recognition of the City’s 35<sup>th</sup> anniversary. That brochure is attached.

The Task Force further suggests that the brochure be part of an active effort to solicit, perhaps on a countywide basis, various commercial Realtors to attract their interest in Clayton Town Center as an excellent site for commercial/retail businesses. In addition to the information in the brochure some of the following information could be included in such a presentation to attract interest to Clayton Town Center:

- counter commute if coming from south, west or central Contra Costa County
- nearby quality childcare
- attractive location
- educated and skilled labor pool
- excellent municipal amenities such as a library, parks and Endeavor Hall meeting room

### **Upgrade and Enhance Municipal Facilities**

**Rehabilitate Endeavor Hall into a multi-use facility.** Currently historic Endeavor Hall is uninhabitable. Its rehabilitation into a multi-use facility would attract people into the Town Center area by making available a facility for weddings, parties, meetings, seminars, workshops and similar activities. During the planning process for the Endeavor Hall rehabilitation the Task Force reviewed the draft plans and recommended to the City Council a project that included the acquisition of the property next door, as well as the rehabilitation of the structure into a multi-use facility. In part based upon this recommendation, the City Council has approved \$1.2 million for the project.

**Center Street revitalization.** Center Street over the last eighteen months has under gone a



significant transition. It had been the repository of much of the City's affordable housing zoning. With the proposed development of the senior assisted living project and the success of projects like Stranahan and some of the condominiums and duets in Oakhurst, the City should be able to move all of the Center Street affordability requirements on to the senior assisted living center. The proposal is now at the state being reviewed. With the affordable housing requirements removed from Center Street, the City is now able to increase the commercial zoning on Center Street, and thereby increase the amount of square footage in the Town Center that can be used for commercial/retail purposes. With the new alignment of Center Street as an extension of Oakhurst Drive, Center Street now becomes an important commercial byway for Clayton Town Center.

The expansion of the commercial/retail Town Center and the new emphasis on Center Street commercial access motivated a review of the planned configuration of Center Street. Further motivation for the review was money available from a TLC grant offered by the Metropolitan Transportation Commission. The plan for Center Street was redesigned to accommodate diagonal parking on both sides of the street, a bike path to accommodate Diablo Elementary students, curb gutter and sidewalk. Based upon the increased parking and the design consistency with Main Street, the Task Force reviewed the plan and recommended its approval to the City Council.

***Town Center parking.*** Although at this time parking in the Town Center is not a problem, unless a special event is being held, the Task Force nonetheless recognizes that the modest amount of parking currently available would disappear quickly with even a moderately sized commercial development. Furthermore, the Task Force noted that a parking space is needed for every two hundred fifty square feet of commercial development, and that if this requirement could be reduced modestly it would increase the amount of square footage available in any given development for commercial or retail usage. It may seem that these two matters, the concern for Town Center parking and the reduction of required parking per commercial development, are mutually exclusive, but the Task Force believes there is a solution to both. The use of less commercially viable vacant lots on the outskirts of the Town Center was considered by the Task Force as possibilities for public parking. The idea is that public parking could contribute to the solution of the parking problem, and if the capacity is great enough, allow a relaxation of the parking standards. The Task Force Recommends:

- Have Planning staff review current parking requirements of one for every 250 square feet of building, and return to Council with a less restrictive requirement.
- Consider acquisition of and improvement of public parking lots.
- Consider as part of development approvals for the Town Center shared parking between businesses, and reserving use on private parking areas for event parking.
- Consider the establishment of In Lieu Parking fees to pay for off site public parking improvements, and which will increase the available square footage for Town Center retail and commercial development.
- Consider establishing a Town Center parking district to help pay for the building and maintenance of public parking.

## Signage Issues

**City of Clayton directional signs in Concord.** The Task Force believed that directional signs on the three main access streets into Clayton would benefit the Town Center. At the recommendation of the Task Force, the City Council approved approaching the City of Concord to locate three directional signs, one on Ygnacio Valley Road, one on Kirker Pass Road, and one on Clayton Road. The City of Concord agreed to the signs and locations. The wording on the signs was: Historic Clayton and Business District 1.5 miles.

**Town Center monument sign.** When the Oakhurst subdivision was being developed, the existing Town Center sign was constructed by Presley from plywood and stucco. The sign was meant to be temporary, but the City convinced Presley to turn over the ownership of the sign. The sign is now close to the end of its life. The Task Force believes that a monument sign with an arrow pointing toward Town Center is critical for attracting the traffic on Clayton Road. As part of the Capital Improvement Budget process the Task Force recommended to the City Council that a new permanent Town Center monument sign be constructed. The City Council appropriated \$15,000 as a CIP project for the sign.

**City of Clayton Town Center directional sign.** While the Town Center monument sign discussed above would be excellent as an attraction and a directional fixture, it works only for the traffic heading east on Clayton Road. The Task Force also recommends placing directional signs similar to the brown metal, P.T. Barnum lettered signs placed in Concord showing the way to historic Clayton and Business District. We recommend that the signs be placed:

- west bound Clayton Road, just past the easternmost signal at Marsh Creek Road; and
- west bound Clayton Road approaching the westernmost signal on Marsh Creek Road.

**Clayton City Limit Signs.** While on the issue of signs, the Task Force considered the City entrances that currently lack city limit signs. These entrances are Pine Hollow Rd. heading east and Clayton Road heading west. Although City limit signage is not directly related to the economic viability of the Town Center, the Task Force believes that the Town Center has an economic interest in having such signs in all of the City's entryways. With regard to the two remaining unsigned entryways the Task Force recommends placement of such signs at the City limits line, east bound on Pine Hollow Road and at the City limit line entering town from west bound Clayton Road.

**Trail Map and Signage.** The City of Clayton trail head is located in the Town Center. Clayton trails are nationally recognized and provide an excellent source of recreation to the local community and to many people outside our City. These people can come and enjoy the Town Center area and provide an additional economic stimulus. Based in part on a recommendation from this Task Force the former ad hoc Trail Committee was reestablished to recommend a



signage plan and develop a trail map. The committee is still meeting.

***City Hall Building Sign.*** A focal point and entry to the Town Center area is the City Hall. People can park at the City Hall or the library and walk under Clayton Road to the Town Center. The Task Force recommends a very simple wooden or wood like in appearance lettering at the top of the City Hall building on the wall facing Clayton Road.

### **Other Information and Referral Recommendations**

***An association of home businesses.*** The Task Force believes that a better knowledge of local businesses could help the overall business climate in the City of Clayton. If the business activity in Clayton increases, then it seems reasonable to the Task Force that business activity in the Town Center is likely to increase. The Clayton Business and Community Association is a good example of how the business community can interact, in this instance in a charitable manner, and the results could benefit the Town Center. The Art and Wine Festival and the Christmas ceremonies are examples of CBCA sponsored activities that favorably impact the Town Center. Similarly, the Task Force believes that an association of home business located in Clayton could not only increase business activity in the Town Center but foster business to business engagements to the bottom line benefit of each business. The Task Force recommends that an effort be made to identify and contact home businesses in Clayton to establish a Clayton Home Business Association. We do not specifically define its activities, but once the idea is suggested the common interests of home businesses should spark a continued relationship that would benefit its members, the City and, it is hoped, Town Center.

***Map of undeveloped commercial sites in the Town Center.*** As part of the information package presented to any interested person or in any marketing effort, the Task Force recommends that a map of the undeveloped commercial sites be created and made available.

***Telecommunications.*** The Task Force, through consensus, recommends that to the extent possible the City should encourage state of the art telecommunications infrastructure installed throughout Clayton and the Town Center.

***Definition of Town Center.*** The Task Force in its interest to promote the Town Center found it helpful to geographically define it. We recommend that the Town Center be defined to include Oak Street up to High Street; High Street, including the properties on the south side of the Street to Marsh Creek Road; Marsh Creek Road, to Center Street; Center Street on the North and West sides only to Clayton Road, except include the south side of the street that includes the parcels of the Lemke building and the Fire Station; south side of Clayton Road west from Center Street to Marsh Creek Road; then west on Clayton Road to Oak Street, and across Clayton Road to include the whole of the Civic Center campus including Heritage Trail and the Library.

## Business Creation Activities

### **Bank Services**

One major matter of concern for the Task Force was examining the ability to bring banking services to the Town Center. The Task Force did not want to settle for an ATM. The Chair of the Committee met with several banking officials including the Bank of the West and East County Bank to convince them of the advantage of having a branch of their bank in Clayton Town Center. These entreaties were unsuccessful. The CEO of the Bank of Walnut Creek was solicited directly. He and the President of the Bank took time to meet with members of the Task Force and discuss the possibility of locating a branch in the Town Center. They did not dismiss the idea outright. They investigated and discussed it with their technical staff, and concluded that now was not the time, but kept the door open.

In addition to soliciting existing banks, the option of forming a brand-new bank to be headquartered in Clayton was analyzed. In summary, it was discovered that with about \$3 million of capital and about 30 people in ownership a bank can be chartered and supported within a population of about 10,000. The conclusion was that to establish a new bank was a possibility, but the effort was beyond the means and charter of this Task Force. The option remains viable and is offered to those who wish to assume the tasks and responsibility. Success in this venture has a greater probability once additional infrastructure improvements are completed and businesses added to the Town Center. The Task Force would like to renew its efforts at that time.

### **Bed and Breakfast**

A bed and breakfast facility was another business that some members of the Task Force believed would be a viable business in the Town Center area. It would have immediate access to the Clayton trail system for biking, hiking and horse back riding. With the Trail Riders club nearby, horse boarding facilities would be close at hand. The Mt. Diablo State Park and East Bay Regional Parks offer additional out door recreation opportunities. A bed and breakfast would bring tourists into the Town Center to enjoy the retail shopping and dining in the Town Center, and provide some revenue to the City through transient occupancy taxes. The Task Force does not plan to pursue this business idea, but recommends that should such an opportunity present itself the City Council favorably consider it.

### **Post Office**

Just prior to the formation of this Task Force the Post Office initiated contact with the City Council and staff and expressed their interest in relocating the Clayton Post Office from its current site to a larger and new facility to be constructed. There was a desire on the part of the Postal Service and the City to keep the post office in the Town Center. Both parties recognized the difficulties of finding a location appropriate for the post office given the limited amount of

vacant property available. The optimum area desired by the postal service is about 65,000 square feet to accommodate a one story building and parking for staff, patrons and delivery vehicles. The Task Force assumed the role of liaison with the relocation effort and met several times with the Norma Jellison and other agents of the postal service to assist them. At the time this report was prepared, there was no specific location obtained for the new post office, but their search had narrowed to the south east portion of the Town Center. Members of the Task Force continue to assist in this process until it comes to a conclusion. Presently the Post Office has narrowed its choice of location to one site with an option to shift it slightly east or west, depending upon the results of negotiations with one property owner.

### **Grove Property Acquisition**

The Cox property, about 55,000 square feet of vacant commercial property prominently located in the center of Town Center, is also known as the Grove Property. Its acquisition has been a topic of discussion for many years, especially among the Town Center business community, and was also a question on the voter survey conducted earlier this spring. The results of the survey indicated that well over 60% of the voting public were in favor of acquiring the property for use as a small Town Center park. The Task Force recommended its acquisition to the Council for park and commercial/retail use. The Council created an ad hoc committee to negotiate its acquisition. Terms of the purchase have been agreed upon and the escrow is expected to close by September 1. The Task Force still recommends a commercial use in addition to the park use, and members of the Task Force are willing to participate in whatever manner appropriate in the eventual planning of the improvements to the property.

### **Other Businesses**

The Keyser Marston study identified several possible businesses that would be appropriate for the Town Center. Broadly, the report recommends restaurants, casual dining, food for at home consumption, personal services, small specialty stores, and destination stores like the Saddlery Shop. The Task Force in reviewing the Keyser Marston list suggested the following as perhaps the better opportunities:

- antique stores
- ice cream shop
- non-franchise restaurants and dining
- bakery

## **CONCLUSION**

The Task Force recognizes that the economic development of Clayton Town Center is not an easy task. Certain economic and market forces which are beyond local control have an essential

influence on the business activities of the Town Center. By no means, however, is the economic development of the Town Center impossible. We sincerely believe that if properly developed, people will be attracted to Clayton as an enjoyable environment in which to work and shop. We do agree with the Keyser Marston report and its recommendation of adding various improvements and enhancements to the Town Center that will create the best opportunity for its economic development. We believe our Task Force has taken some steps to put some of these layers in place, and that our recommendations will provide others. While this report represents the concluding activity of this Task Force we recommend that should the need arise in the future that this Task Force or one like it be resurrected to review and provide further input and recommendation on the economic development of the Town Center.

**EXHIBIT A**



**SPECIAL CLAYTON CITY COUNCIL VISIONS MEETING  
MINUTES  
FRIDAY, MAY 29, 1998**

**3 P.M. - CLAYTON COMMUNITY LIBRARY MEETING ROOM**

**CALL TO ORDER** - by Mayor Littorno                      Lonnie Hayhurst, Facilitator

**Council Members and Commissioners in attendance:** Council Members Manning, Peterson, Pierce, Vice Mayor Laurence, Mayor Littorno; Commissioners Haydon, Nielsen, Weibert, Deely, Hopkins

**PLEDGE TO THE FLAG**

**Welcome/Introductions - City Manager Hill** **3:00 - 3:15**

**Past Visions - Val Alexeeff** **3:15 - 4:00**

**State of the City - City Manager Hill** **4:00 - 4:30**

City Manager's Overview

Report "Where are we now?" - **Community Development Director Hatch**

**Clayton General Vision (20 years) - Lonnie Hayhurst** **4:30 - 5:45**

Discussion Groups - What do we want Clayton to be?

**Dinner Break** **5:45 - 6:30**

**Clayton General Vision - continued - Lonnie Hayhurst** **6:30 - 7:15**

Discussion Groups - What needs to be done?

(Short term goals - 5 years

Long term goals - 10 years)

**Specific Plans/Issues** **7:15 - 8:45**

Discussion of the Town Center Plan/Current Project/Program Activities 7:15  
- **Community Development Director Hatch**

Preliminary Market Study Report 7:30

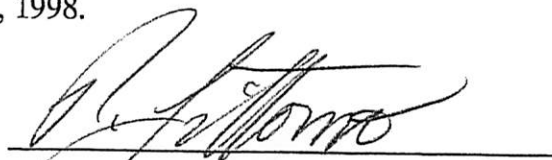
General Discussion of Future Plans 7:45

What City services are desired? - **Lonnie Hayhurst** 8:15

**Wrap-up** **8:45 - 9:00**

**ADJOURN** - to regular Council Meeting on June 2, 1998.

  
City Clerk

  
Mayor



## CITY VISIONS MINUTES

May 29, 1998

---

### **I. Welcome/Introduction**

A welcoming ceremony was held with all the participants introducing themselves. The facilitator, Lonnie Hayhurst, encouraged everyone to become actively involved in the evening's activities and to voice their opinions on issues.

### **II. Past Visions (1988)**

Val Alexev, citizen and past City Manager, provided an overview of the Vision developed in 1988 and challenges the City has faced since that time.

### **III. State of the City -**

City Manager's Overview - Richard Hill, City Manager, provided a brief overview of issues faced by the City at the present time and are anticipated in the very near future.

Staff Report - Randall Hatch, Community Development Director, discussed several issues relating to planning, transportation, and development activities. Of special note was a discussion regarding traffic flow and the impact of development in surrounding cities.

### **IV. Clayton General Vision**

⇒ Discussion Groups

Participants were divided into three separate groups and asked to discuss what they would like to see Clayton become in the next 20 years and then prioritize the items they developed. All of the groups had a theme of not wanting a lot of change, but improvement on what currently exists. The following is a listing of priorities and general discussion notes, divided by groups:

## 20 YEARS FROM NOW

### PRIORITIES

#### Group 1

- Develop a Downtown Park.
- Establish a Leisure Services/Recreation Program which is user fee driven.
- Maintain the small town feeling.
- Improve Heritage Park and Keller House.
- Establish an annual Community Service Day.
- Enhance the Commercial Town Center.

#### Group 2

- Stay with old west theme, open space, small town atmosphere.
- Make Clayton the best place to live, a friendly model community for all ages.
- Make Clayton a built out, dynamic, pedestrian oriented downtown.
- Make it a destination point with services for Clayton citizens and attract outsiders for recreation.
- Maintain and improve the spirit of community, a close knit city, which support volunteer groups, and no crime including outlying areas.

#### Group 3 - Priorities

- Maintain the historical look, don't change too much.
- Make Clayton a cultural/commercial "Village" with an identity, events, farmer's market, and fiscal revenue.
- Continue to improve the superior quality of life, low crime, safe, clean, clean air, trails, views, landscaping, village feeling.
- Develop youth and elderly facilities and community facilities.
- Develop a conference facilities - with events on weekends.

### GENERAL DISCUSSION NOTES

The following is a transcription of the notes make by each group while they were conducting their discussions:

#### Group 1

Put a limit to development

Downtown Park (central)

Play structure

Bathroom

Gazebo

Develop a Community Center

Leisure services, recreation programs user driven  
Multi-cultural activities (diversity)  
Keep what we have - country, open space, nature  
Maintain small town feeling  
Limit Franchises/encourage private non-profit agencies  
Increase space in schools  
Middle school gym  
Seek non-tax solutions to problems (projects)  
Major improvements to elementary school  
Develop seniors program  
Improve Keller Ranch House  
Improve Heritage Park  
Determine costs for projects prior to committing to the project  
Community volunteer program  
Become the most desirable city for families  
Annual Community Service Day  
Rehab Diablo Creek corridor  
Work with other cities solving traffic issues  
Develop a facilities maintenance plan to preserve our resources beyond 20 years  
Use technology to improve quality of life  
Highest community appreciation of City government in state  
Enhanced Commercial Town Center  
Tea shops, Theater, antiques, architectural standards  
City of Clayton to be one of the most respected cities.  
Maintain a regional presence  
Crime safe community  
Community-wide activities (concerts in the park)  
Maintain a "gateless" community

Group 2

Keep things the same as now

Destination Recreation Center:

Horses	Hiking	Overnight Camping
Golfing	Horseman's Association	Events on State Land
Biking	Marsh Creek Springs	Regency or Mitchell Canyons
B&B Motel/Inn		

Downtown

Folsom  
San Diego Old Town  
RFP Developer/Team  
San Luis Obispo

Maintain a Rural/Old Fashion feel, not steel and glass  
Two or three Story maximum height for buildings  
Community Center defined

Community concerned with people, ideal for all young family, middle aged, and seniors  
Gym - can be used for all.

Preserve Hills/creeks/open space

Activities/Services

Arts, gazebo, playhouse, amphitheater

Play off the Concord Pavillion

Leisure services in the City

Businesses

Health Club

Restaurants

Better Signage (electric)

Shops

Parking

Perimeter Parking around town

Gas Station

Car Wash

Pedestrian walking in middle for shopping

Mechanic Shop

Overall Design Theme "Old West"

Adapt to future needs

Post Office Downtown

Town Center - combination of attracting outsiders and providing residents with services

### Group 3

Maintain Historical Look, Don't want too much change

Environmental quality - clean air and small

Expand Commercial downtown

Encourage business parks in local communities

Park Downtown

Additional revenue sources

Better landscaping

Improve Diablo Creek Area

Cultural/Commercial "village" that is fiscally independent, identity events

Safe/Clean

More active/involved community

Development - natural focal points, trail connections

Better Youth facilities - recreation center, pool, skateboard park.

Gas station

## 10 YEARS FROM NOW

Following the general discussion of the Vision for Clayton, the groups were asked to list what items they thought needed to be accomplished in the long-range (10 years). The following is a listing of each group's discussion points:

### Group 1

Commercial Downtown

Improved Center Street Infrastructure



Bed and Breakfast Hotel  
Clayton as a Commercial/recreational destination  
Leisure Services Program  
Build community center  
Community Theater  
Build second community park

Group 2

Totally built out with class

Group 3

Purchase E. Grove  
Community Park/Bandstand  
Meeting/Conference Hall/B&B (tie with Golf), maybe a dude ranch  
Building/businesses for commercial "village"  
Theater/cultural/Movies  
Develop Keller site

**5 YEARS FROM NOW**

Following the long-range discussion, the groups listed what action points they believed should be accomplished in the short-term (5 year) to meet the City's vision. The following is a listing of the action points discussed:

Group 1

- Maintain the small town feel
  - Maintain development stands, small business plan, open space, watch density
  - Watch our borders
  - Promotion campaign emphasizing small town
  - Community programs emphasizing small town
  - Events that close off town and eliminate cars (cruise nights)
  - Improve Endeavor Hall
  - Middle school open
- Leisure Services Program
  - Improve Keller House
  - Developing a Leisure services plan
    - Needs assessment
    - Collaboration with other Cities
  - Annual community participation day
  - Begin programs that can grow into facilities later
  - Child oriented activities park
  - Downtown Park
  - Grant Person
  - Develop trail map

- Commercial Downtown
  - Headquarters Business/telecommunications/executive center
  - Economic Development Taskforce
    - Marketing Plan
    - Marketing Materials
    - Identify target businesses
  - Stop Presley and define business district

Group 2

- Gym with Multiple Users
- Mining Theme
- Public Parking
- Senior Assisted housing, 100 units with 40 or more homes within walking distance to town.
- New Fire Station
- Public Restrooms Downtown
- Gazebo/Amphitheater
- Gas Station/Mechanic Shop
- Utilize existing old City Hall & Police Station
- Require adequate parking or "in lieu" fees with each development project
- Rehab Endeavor Hall and Keller Ranch House
- Skateboard Park
- Teenage Center or Activities
- Senior Center
- Ice Cream Parlor
- Dry-cleaning
- Antique Stores
- Hardware Store
- Economic Incentive Plan to attract businesses
- Unique businesses
- Medical Offices
- Urgent Care facility
- Computer shop
- Permanent Post Office
- Playground
- Upscale baby store

Group 3

- Update Town Center specific plan including identifying a site for gas station
- Finish fire station
- Select sites for park, commercial buildings
- Finish gym
- Shuttle business
- Develop old City Hall site

- Farmers' Market
- Events committee
- "Market" Clayton
- Walking town
- Horse drawn carriage
- Community clean up events
- Bagel shop
- Better sign/tunnel/mural
- Drinking fountain, washroom and more bushes

## V. Specific Plans/Issues

### Town Center

A brief overview of the current City Town Center Plan was presented to the participants along with a briefing on future plans and issues. Additionally, a preliminary report was provided by the City's consultants who are preparing a Market Study Report.

A general discussion was held regarding the future of the Downtown area. Participants during the discussion made the following suggestions:

### **DOWNTOWN PLAN**

- Create a recreation area downtown including a downtown park.
- Maintain land for office space.
- Maintain variety in any planning and projects so that there are not the same kinds of thing next to each other.
- Concentrate plans on the potential of the City not just what is available.
- Husband commercial property to ensure that it is used only in way that fits overall plans.

### City Services

A discussion was held as to what services the participants believed the City should add. The following is a listing of those services discussed:

### **DESIRED CITY SERVICES**

- Establish a volunteer services program including a staff member to coordinate programs including leisure services.
- Develop an active Marketing/Public Relations Program.
- Develop an active economic development and grants
- Hire an Events Coordinator to plan and coordinate City functions.
- Establish a program for Senior services including a shuttle.

- Establish a more active maintenance program for walking areas.
- Develop a liaison with Youth programs.
- Establish a volunteer program to assist with community policing activities.
- The City should take a lead in coordinating and facilitating garden club activities in beautification of the City.
- Establish a system with club registration at City Hall, an organized calendar of meetings, and information posted on the Web site.

**EXHIBIT B**



c: council  
7-13-98

**DOWNTOWN DEVELOPMENT POTENTIAL  
CLAYTON, CALIFORNIA**

**PREPARED FOR:**

**CLAYTON REDEVELOPMENT AGENCY**

**PREPARED BY:**

**KEYSER MARSTON ASSOCIATES, INC.**

**JULY 1998**

# TABLE OF CONTENTS

	<i>Page</i>
Table of Contents	i
List of Tables	ii
Introduction	1
Summary of Recommended Strategy	4
Section I. Stakeholder Interviews	7
Section II. Retail	10
Section III. Office	17
Section IV. Residential	19

## LIST OF TABLES

Table 1.	Inventory of Downtown Tenants
Table 2.	Clayton Station Pavilion Plaza
Table 3.	Clayton Demographics
Table 4.	Demographics – 3 Mile Radius
Table 5.	Taxable Sales Potential
Table 6.	Supportable Space
Table 7.	Taxable Sales Performance
Table 8.	Clayton Market Share of 3 Mile Area
Table 9.	Shopping Centers
Table 10.	Local – Serving Office Demand
Table 11.	Clayton Housing Stock
Table 12.	Single Family Home Market
Table 13.	Clayton Residential Sites
Table 14.	Senior Assisted Living Facilities

## INTRODUCTION

The following report provides an assessment of commercial and residential development opportunities for downtown Clayton. The report has been prepared to provide economic guidance for the land use decisions now underway for property within the Town Center Specific Plan Area. The purpose of KMA's analysis is to identify realistic development concepts for the downtown that will:

### A. *Study Objectives*

The purpose of the Clayton Downtown Opportunities assessment is twofold:

- To evaluate and identify commercial development opportunities in Downtown Clayton; and
- To assess the reasonableness of the proposed change in zoning from commercial to residential for the 5-acre site at Oakhurst and Main Street, given market conditions.

In undertaking this analysis, KMA has:

1. Met with community stakeholders and city officials to identify the development objectives for the downtown area, and to gain insight on specific opportunities for downtown.
2. Reviewed demographic data for Clayton, and surrounding areas to define the context of the market opportunities. Population and income trends and projections were analyzed, including the proposed development at Cowell Ranch.
3. Evaluated commercial market conditions in the area, including an analysis of Clayton retail sales and expenditure potential available to support downtown, and an assessment of existing and planned retail competition.
4. Evaluated market conditions for office space and home businesses.
5. Evaluated residential market conditions in the area, including an assessment of housing stock composition, the pricing, density, and market acceptance of recent and planned residential development, and conditions in the assisted living submarket.

6. Identified special opportunities from an economic, physical, and implementation standpoint which are supportive of downtown's current strengths and special future potentials.

**B. Caveats and Limiting Conditions**

- The findings in this report are based in part on data from secondary sources, such as the Association of Bay Area Governments, Contra Costa County, the Claritas Corporation, and the State Department of Finance. While we believe these sources are reliable, we have not independently verified these data.
- We make no representations regarding soils conditions, toxics, infrastructure capacity, and all other physical factors which could affect development potential in downtown.
- An assessment of market feasibility is inherently based on professional judgment and a number of assumptions. Further, due to the rapid change and complex factors that influence the real estate industry, conclusions and recommended actions contained in the report should be viewed as our best judgment as of the report date and should not be relied upon as the sole input for final business decisions regarding current and future business planning and development.
- The analysis and recommendations assume that the local, regional, and national economy will continue to expand. However, it is assumed that the boom economic conditions of 1997 and 1998 will not continue over the longer term. Rather, a more moderate rate of long term economic growth is assumed. If economic conditions are different than these assumptions, the conclusions of the evaluation may need to be reassessed.
- The following analysis is an assessment of market support. Market feasibility is not equivalent to financial feasibility; apart from whether there is demand for various concepts, other factors are of crucial importance in determining feasibility. These factors include the cost of acquiring sites, relocation burdens, market pricing conditions, traffic impacts, toxic remediation, political objectives, and mitigation measures that might be required through the approval process.
- The findings are based on economic rather than political considerations. Therefore, they should not be constructed as a representation or opinion that government approvals for development can be secured.

## SUMMARY AND RECOMMENDED STRATEGY

There is opportunity to achieve a high quality downtown environment in Clayton, which can serve as source of civic pride and community identity. However the downtown strategy cannot realistically depend on addition of retail uses to achieve these objectives. Rather, the strategy should incorporate retail, civic, office, and community serving uses, physical improvements, and community activities.

Development of downtown housing, including housing for seniors is an important source of near term stimulus for the area, and should be encouraged. Thus the proposed development of the 14.5 acre site east of Marsh Creek for senior and family housing is consistent with the community's objectives to create a vibrant downtown.

Our findings and recommended strategy are summarized below. The findings of our market analysis for retail, office, and residential land uses are described in the attached report and tables.

- Today, Clayton has roughly 20,000 SF of retail space downtown, and a roughly equal amount of service retail and office space. Additionally, since the small amount of retail space is dispersed in the area, and the streetscape is frequently interrupted by vacant lots, there is a poor retail environment in the downtown.
- Retail-oriented downtowns in small, upscale communities like Lafayette, Danville, Mill Valley, and Saratoga average from 100,000 to 160,000 SF of retail space. Given the City's small population base, and the abundance of retail supply in nearby established locations in Walnut Creek and Concord, it is unreasonable to assume that the City's residents could support a retail complex of this size.
- There is limited potential to capture sufficient market support from outside of Clayton to support a large scale retail complex downtown. Downtown's end of the cul-de-sac location is a constraint to capturing sales from regional residents. The fact that Clayton Road bypasses the downtown and the lack of visual access to the downtown limits the draw regional residents for non-destination outlets. Clayton Station and the planned retail development at Cowell Ranch are better locations from which to draw regional market support.
- Further, since downtown is located on the edge of the populated area, the population base of a three mile potential trade area is also small, with less than 40,000 people.
- While in general downtown Clayton stores are patronized by town residents, some retailers have been successful in becoming destinations for patrons from



outside of the town, including the saddlery store, Skippolini's restaurant, and La Cocottes. Additionally, the market captures some retail support from bike riders and others taking advantage of the area's recreational assets.

**A. *Recommended Retail Strategy***

- Strong retailers can operate successfully in downtown Clayton. However, given the downtown's locational weaknesses, until the retail area is successfully expanded, and there is evidence of successful performance for more stores, is unlikely to meet the locational requirements of chain retail outlets. The City should look to individual proprietors and small regional stores for new retail outlets in the downtown.
- Clayton Station now successfully serves the convenience shopping niche for city residents and captures significant shopper support from residents of surrounding communities. It is unlikely that another convenience shopping center like that envisioned in the Town Center Specific Plan would be successful.
- Development of an additional 10,000 to 20,000 SF should be encouraged in the short to intermediate term, perhaps through creation of small scale, infill development opportunities on Main Street.
- In the longer term, the City should plan on a total of between 50,000 and 80,000 SF of retail space in the downtown. This much space can be accommodated on the Main and Center Street frontages, and the connecting cross streets west of Marsh Creek Road. Retaining the site proposed for development by Presley for future retail development is not warranted.
- Retail tenants consistent with the strategy include restaurants, casual dining, food for at home consumption, personal services, small specialty stores, and destination stores like the Saddlery Shop.
- Addition of new retail in the downtown should be accompanied by other actions which are designed to reinforce the area, as defined below.

**B. *Actions Supportive of Downtown***

- Adding residential uses, including senior housing, move-down and empty nester housing, and townhomes would provide an important stimulus for the downtown, and has been successfully done in other upscale communities. Downtowns are often considered an appropriate place to accommodate higher density housing in suburban locations. Since the feasible development timeframe for new housing in the downtown is in the near term, it is the single most important way to achieve critical mass for the area in the near term.

- Development of small scale office space, perhaps incorporating meeting space and services such as document duplication which are supportive of home businesses, should be encouraged downtown. In the near term, this development will likely be considered risky, as the market for such uses has not been well established. The City should encourage and actively support development of a small project in the 5,000 to 10,000 square foot size in downtown Clayton in the next one to three years. Additional office space should be encouraged, particularly on 20,000 Center Street frontage. After that project is successfully introduced, an additional 10,000 S F of office space should be added.
  
- Community serving uses, such as a day care center, will help generate traffic to the downtown and would be supportive of downtown revitalization.
  
- Adding open space, especially space which is programmable for outdoor concerts and civic events, is highly desirable. This open space should be located to avoid interruption in the street frontage on Main or Center streets.
  
- The old grove, which was once a major landscape feature for the town, is a possible site for a small mixed use development with ground floor retail and office space on the upper floor. This key site could be used to reinforce the retail character of Main Street. Parking should be located off of the Main Street frontage.
  
- The City should support recreational and promotional events in the downtown, to help increase shopper awareness of and reinforce utilization of the area. Events held at the City hall and library complex are too separated from the downtown, given the width and traffic volumes on Clayton Road, to fully serve this function. Summer and harvest festivals, children's events, farmers markets, bicycle and motorbike events have proven successful in improving utilization of similar areas in other cities. The objective is to give town residents and others ongoing reasons to come to the downtown. In other communities this strategy has both increased patronage of nearby merchants from event attendees and helped improve awareness of downtown retail generates future shopper trips.
  - Improved signage should be provided to increase awareness of downtown from Clayton Road.
  
  - There must be adequate, nearby parking. A parking ratio of 3.5 to 4 spaces per thousand is required to support retail in this environment.

## SECTION I - STAKEHOLDERS INTERVIEWS

On April 24, 1998, Keyser Marston conducted a series of interviews with Clayton residents that have a stake or interest in the future of downtown development. The interviews were conducted in four groups that were identified by the City and were organized according to a common interest. These groups were downtown merchants, downtown property owners, home business owners, and elected officials.

From these "stakeholder" interviews, Keyser Marston was able to determine not only a range of desired future uses but to gain valuable information with which to assess the potential viability of such uses as well. While there was not always agreement among those interviewed about the future of downtown, especially with regard to specific uses to encourage, there did appear to be a general consensus about the key elements of an overall vision for the downtown. The vision elements identified through this process focus on the type and character of downtown desired, and the way in which the downtown fits into the community as a whole. The following is a listing of these vision elements:

- Make downtown a "destination"
- Make downtown functional
- Maintain quaint, historic identity and feel of "end of cul de sac"
- Create a consistency to architecture, signage, etc.
- Focus on walkability of downtown
- Create a diversity of uses
- Desirable downtown types include downtown Los Altos, San Luis Obispo, Los Gatos, Danville, and Hemet
- Need to capture sales tax opportunities
- Concentrate future commercial uses downtown, not in residential areas
- Keep ground floor spaces available for sales tax generating uses, direct office uses to second floors
- No housing downtown

The stakeholder interviews were also helpful in describing the current market conditions downtown including whom the customers are, where they come from, and why they come to Clayton. Such information is helpful to determine Clayton's strengths and weaknesses, the foundation upon which to build future uses, and the strategy to get there.

### **A. Current Conditions**

- Current downtown uses have a local as well as regional base of customers. Some benefit from location near Mt. Diablo and Concord Pavilion
- Events at the pizza parlor bring customers downtown such as runs and bike rides. Also youth sports team events

- Current lunchtime crowd at Ed's includes teachers, school kids, police officers, golfers
- Bikers come for Poker Run and hang out a bit, but not really anything to do
- Presley found an interest in senior housing – proximity near commercial uses, golf and access to other recreational activities
- Presley site previously floated to brokers as commercial but no interest
- Vacancies at Clayton Station a concern for future uses downtown

**B. *Strategies/Possibilities***

- Capitalize on Clayton history as a mining town
- Capitalize on proximity to Mt. Diablo and Concord Pavilion
- Build upon existing broad-based customer draw from a handful of retailers
- Capture potential market opportunities from new Oakhurst residential development and Country Club, as well as civic center and library
- Expand upon regular events such as parades, Art & Wine Festival, Fourth of July, Car Show, etc.
- Possible positive business spin-off from JFK University consolidation in Concord
- Capture potential market opportunities from kids after school (8th to 12th graders)
- Built out infrastructure in the downtown is an advantage

**C. *Weaknesses***

- Clayton Road seen as a wall separating downtown from much of City
- Clayton a bedroom community - not much daytime business
- Not enough traffic. Business dropped when Clayton Road traffic was diverted from downtown
- Visibility. Need for more signage
- Piecemeal development and inconsistent uses – difficult to create a sense of uniformity
- Vacant lots and run-down buildings that aren't for sale
- A run-down appearance in some areas – better landscaping would help
- Insufficient parking. People currently use Village Market parking and the back of Clayton Club
- Goodwill trucks/recycling behind market don't clean up after themselves
- Assessment district creates added costs
- Clayton residents resistant to change
- Difficult for businesses to locate to Clayton

Each of the groups was also asked what specific types of uses they thought could be supported downtown as well as what types of uses they would like to see downtown. The following is a listing of possible uses suggested.

- High end produce/food market
- Ice cream parlor
- Quick prepared food – an alternative to home cooking (but not fast food)
- General bookstore, but not necessarily Barnes and Noble scale
- Little theater, entertainment uses
- Dining
- Service station
- Antique store
- Yardshop/fabric store
- Bed and breakfast
- Shoe store
- Bakery
- Public restrooms
- Kinkos or other reprographic services
- Shared conference space and tech center for home businesses
- Nice restaurant for business lunches
- Office space
- General services

Finally, a separate group was interviewed about the large number of home businesses in Clayton and upon the possibility of tapping into the unmet needs of such businesses. This group was instrumental in describing the profile of home businesses in Clayton and identifying a range of downtown uses that could be supported.

- Many home businesses in Clayton, but difficult to quantify
- Probably half of the home based small contracting and half professional services
- A possible demand for a shared meeting space with clerical assistance
- A demand for copying services (Kinkos) and high-speed communications (e.g. video conferencing) – could even draw from Walnut Creek. But one problem is infrastructure, today phone services is not available from Pacific Bell
- Most home businesses like working from home and don't have a desire to move into an office
- Home businesses would often move into office space when employees are hired. But many home businesses don't need employees with spouse/family members' help
- Home business probably half operated by men and half women
- New residential developments like Oakhurst are tailored to accommodate home businesses (e.g. with extra rooms, wiring, electrical capacity, space in garage)
- Many of "techy" people in Clayton
- Home businesses not currently supported by a separate Chamber of Commerce or small business association. Clayton Business and Commerce Association (CBCA) represents all town businesses
- City is more friendly to home businesses now. Permits are easier to get
- Improved security in residential areas is another advantage of home businesses

## SECTION II. RETAIL

### A. *Downtown Retail*

In the last century Clayton emerged as a retail center, when its stores and businesses supplied the nearby mining centers. The district retains several historic commercial buildings, which serve as evidence of its history as a commercial center, and provides a unique character to the downtown area. For example, the Stage Coach Inn, formerly the Pioneer Inn, has served as a local restaurant since the late 1800s.

Today, downtown Clayton has an eclectic mix of small retail stores, ranging from long established eating and drinking establishments like Skippolinis, La Cocotte, and Clayton Club to the small beauty salons clustered along the south side of Main Street. These and most of the older establishments downtown are situated on either side of Main Street between Oak and Marsh Creek Roads (see Table 1).

The other uses along Main Street are a dental practice, a convenience market, a post office, a florist, a second-hand apparel store, a pet grooming shop, and the Clayton Historical Museum. The balance of the businesses are located across Marsh Creek Road at Center Street in the downtown area. On one corner of Marsh Creek and Center is Creekside Bakery, a local restaurant, and on the other is Village Oaks Center, a two-story, 22,000 square foot commercial building. Located in Village Oaks Center are several ground floor retail uses such as Ed's Mudville Grill, Clayton Saddlery, and Cowboy Corner. On both the first and second floors there are numerous professional offices such as Chiropractic Health Plan, Farmers Insurance and Lemke Construction. A parking lot is located in the rear.

Unfortunately, much of the flow and continuity of downtown uses, particularly between Main Street and the Village Oaks building, is disrupted by a number of vacant and/or underutilized lots that separate them. In a 1988 market analysis prepared for the City of Clayton, Mundie and Associates estimated that downtown Clayton had approximately 41,000 SF of commercial uses, of which roughly 27,000 was used for retail space. For purposes of this analysis we have assumed that there is roughly 27,000 SF of retail space in the downtown today.

Most of the retail uses in downtown Clayton are supported primarily by the town's residents. However, as will be described below, some restaurants including Skippolinis and La Cocottes, report that they draw customers from as far away as Marin County.

### B. *1990 Town Center Specific Plan*

In March 1990, the City of Clayton adopted the Clayton Town Center Specific Plan which provided a framework for the future development of the Town Center. Town Center is defined roughly by Oak Street on the west, Clayton Road on the north and east, and High Street on the

south. The historic barn and winery, now redeveloped as the new civic center north of Clayton Road, was also included in the Town Center Specific Plan.

The Specific Plan designated much of the area as "Town Center Commercial," defined to include retail sales and services, offices, and places of assembly. The only areas excluded from this designation were the block bounded by Center, Marsh Creek, High, and Diablo (designated for Multi-Family Medium Density and Resource Protection Overlay), a narrow strip of land on the north side of Center Street roughly between Easley and Clayton Road (Multi-Family Medium Density), and the now-Civic Center site north of Clayton Road (Historical and Cultural). Of the uses south of Clayton Road, most of the area was designated Town Center Commercial (which represents roughly 22.7 acres or 57.9% of the total). Multi-Family Medium Density covered roughly 5.31 acres (13.5%), and streets covered roughly 11.23 acres (28.6%).

The 1988 Mundie Associates market analysis performed as part of the specific plan indicated that approximately 86,000 SF of new commercial space could be supported downtown. The recommended commercial uses were as follows:

<u>Type of Use</u>	<u>Additional Building Space (SF)</u>
Grocery Store	20,000
Prepared Foods	3,000
Drug Store	15,000
Restaurants	16,000
Hardware, Home Improvement, General Merchandise	7,000
Convenience Specialty	8,500
Comparison Specialty	5,000
Financial Institutions	5,000
Services	<u>6,500</u>
<b>Total</b>	<b>86,000</b>

Note: Excludes automotive service station

Source: Mundie & Associates

The Specific Plan allowed floor area ratios for commercial development downtown ranging between 0.2 and 0.4. This would allow for between 198,000 and 396,000 SF of total commercial development downtown. Taking into account the existing 41,000 SF of commercial floor area downtown and the estimated 86,000 SF of supportable new commercial space, a 0.2 FAR would allow for an additional 57,000 SF of commercial uses. The Specific Plan proposed "office and or public buildings" as a potential use for the remaining commercial space.

However, at the time the plan was being prepared, changes that would impact its potential for implementation were already underway. First, the Clayton Station neighborhood shopping center, which was under construction in 1988, has been successful in capturing demand for convenience retail uses from shoppers within and outside of the town.

Secondly, the trend towards larger store units for supermarkets and other convenience store anchors has continued. Today, there are few potential grocery store anchors opening new stores in the 20,000 SF size range. Today's grocery store anchors are typically built at 50,000 to 60,000 SF and require locations on the homebound leg of the journey to work commute from which they can serve a population base of at least 20,000 people within a 3 to 5 mile radius.

Third, the alignment of Clayton Road provided access to planned growth area such as Cowell Ranch, but also serves as a bypass to downtown. Today downtown Clayton has very limited visibility to regional residents traveling along Clayton Road, thus limiting the potential to draw support from residents outside of the Town.

Finally, a 4,300-acre mixed-use development at Cowell Ranch was being planned east of Clayton near the City of Brentwood. As proposed, Cowell Ranch will include 5,226 dwelling units at mixed densities, 46 acres of commercial/office uses, a 76 acre business park, schools and community parks. The majority of space, some 3,000 acres, will remain open space. The commercial/office component is proposed to include 700,000 SF of building area, of which 400,000 is planned as retail space.

### **C. Clayton Station**

The Clayton Station/Pavilion Plaza shopping complex is located on the corner of Clayton and Kirker Pass Roads. Built in 1990, the Clayton Station contains over thirty stores including its anchor tenants Safeway and Walgreens (see Table 2). When Clayton Station was built, the Safeway Store relocated from the Clayton Valley Center.

The Clayton Station complex includes some larger stores such as a Warehouse Entertainment store, but is predominately comprised of small retail shops such as book and stationary/gift stores, eating places, beauty shops, and fast food outlets. Although there are a few current vacancies in the complex, stores for a new Noah's Bagels and Starbucks Coffee are reportedly under construction on a freestanding pad on the Kirker Pass side of the parking lot, which is a positive indication of the overall health of the complex.

The Clayton Station shopping complex generates a large portion of the City of Clayton's sales tax revenue. In addition, estimates of retail sales potential suggest that Clayton Station generates a portion of sales from residents outside of Clayton (see Section D below).



#### **D. Clayton Retail Sales Performance**

California State Board of Equalization and City of Clayton data reveals that the City generated approximately \$22.5 million in taxable retail sales in 1996, the most current year for which data is available. Of this amount, approximately \$11.5 million or 51% was generated from convenience goods, approximately \$4.5 million or 20% was generated from comparison goods, and approximately \$4.2 million or 19% was generated from eating and drinking establishments. The remaining revenue was generated from other categories of retail sales.

It is interesting to note that Clayton Station represented 60% of the City's total taxable retail sales. Because the supermarket and drug store are a major portion of the retail space in Clayton Station, and because sales at those stores are not fully taxable, it is likely that this shopping center represents a higher portion of the City's total base of retail sales.

#### **E. Demand Potential**

##### **Downtown Trade Area**

In 1997, the City of Clayton was estimated by Claritas to have a population of 9,844<sup>1</sup> (see Table 3). The estimated 1997 population of the trade areas within a three mile radius of downtown was 38,377 (see Table 4). Therefore, the population of the City of Clayton represents approximately 26% of the three-mile trade area.

KMA has analyzed the potential retail demand supported by the town's current and future residents as well as the residents of nearby areas from which retail in downtown Clayton can be expected to draw support. The primary trade area which could potentially be served by downtown stores is defined as the area within a three-mile radius of Clayton and Marsh Creek Roads. This area will provide the primary support for retail at the subject site, although additional support will be generated from beyond the trade area.

KMA estimated the expenditure potential or retail demand for the town's population and the primary trade area, based on the observed pattern of retail expenditures in the Bay Area. Per

---

<sup>1</sup> For purposes of conducting this analysis, and as a means of checking for reasonableness, Keyser Marston Associates utilized demographic data from two sources, Claritas, Inc. and the California Department of Finance (DOF). These two sources sometimes use different methodologies and data from the two sources are not always consistent. For example, the 1997 estimate of Clayton population by Claritas, Inc. was 9,844 while the Department of Finance estimate was 10,100.

The DOF population estimate is believed to be the more accurate of the two, and therefore DOF data was used to make certain calculations used in this analysis, such as expenditure potential and supportable retail space. However, certain demographic information was not available from the Department of Finance. For instance, since DOF does not provide a means of estimating demographic data for the three mile trade area, Claritas data was used to insure consistency in making comparisons.

capita expenditures were estimated for each group based on a percentage of per capita income (see Tables 5 and 6).

For purposes of this analysis, three main and one secondary category of resident retail spending patterns were analyzed: Convenience Goods, Comparison Goods, Eating and Drinking, and Other Retail Goods.

- Convenience goods are goods for which ease of access is a primary determinant for shopper selection. They are often items that are purchased regularly such as food, drugs, and liquor.
- Comparison goods, on the other hand, are items for which people will shop around to find the best price, the best variety, and/or the best quality. Such goods include apparel, general merchandise, and home furnishings.
- The Eating and Drinking category covers all establishments which serve food and/or beverages as their primary business such as restaurants and bars.
- The Other Retail category includes all remaining retail goods such as building materials, auto dealers and supplies, and auto service stations.

### **Clayton Residents' Expenditure Potential**

The expenditure potential for Clayton residents was estimated at \$98 million in 1996 (see Table 6). If all of the residents' expenditure potential were captured within the City, the maximum supportable space for convenience, comparison, and eating and drinking outlets would be in the range of 224,000 SF.

This amount of space is simply provided here as a point of reference, not as a projection of supportable retail for Clayton. For instance, a large part of the expenditure potential for comparison goods is captured by department stores and big box retail tenants that depend on a market area of 200,000 people for support. Thus, the full spectrum of resident's retail expenditures is unlikely to be captured by a small commercial district like downtown Clayton.

KMA also compared the expenditure potential of City residents to the reported taxable sales in Clayton (see Table 7).

### **Trade Area Residents' Expenditure Potential**

Table 8 shows the expenditure potential of trade area residents, which include Clayton residents. Next, KMA compared Clayton residents' expenditure potential to the existing sales performance of Clayton stores. In 1996 the City's stores captured 40% of the trade area's expenditure potential for convenience goods. In contrast, Clayton retailers captured 3% and

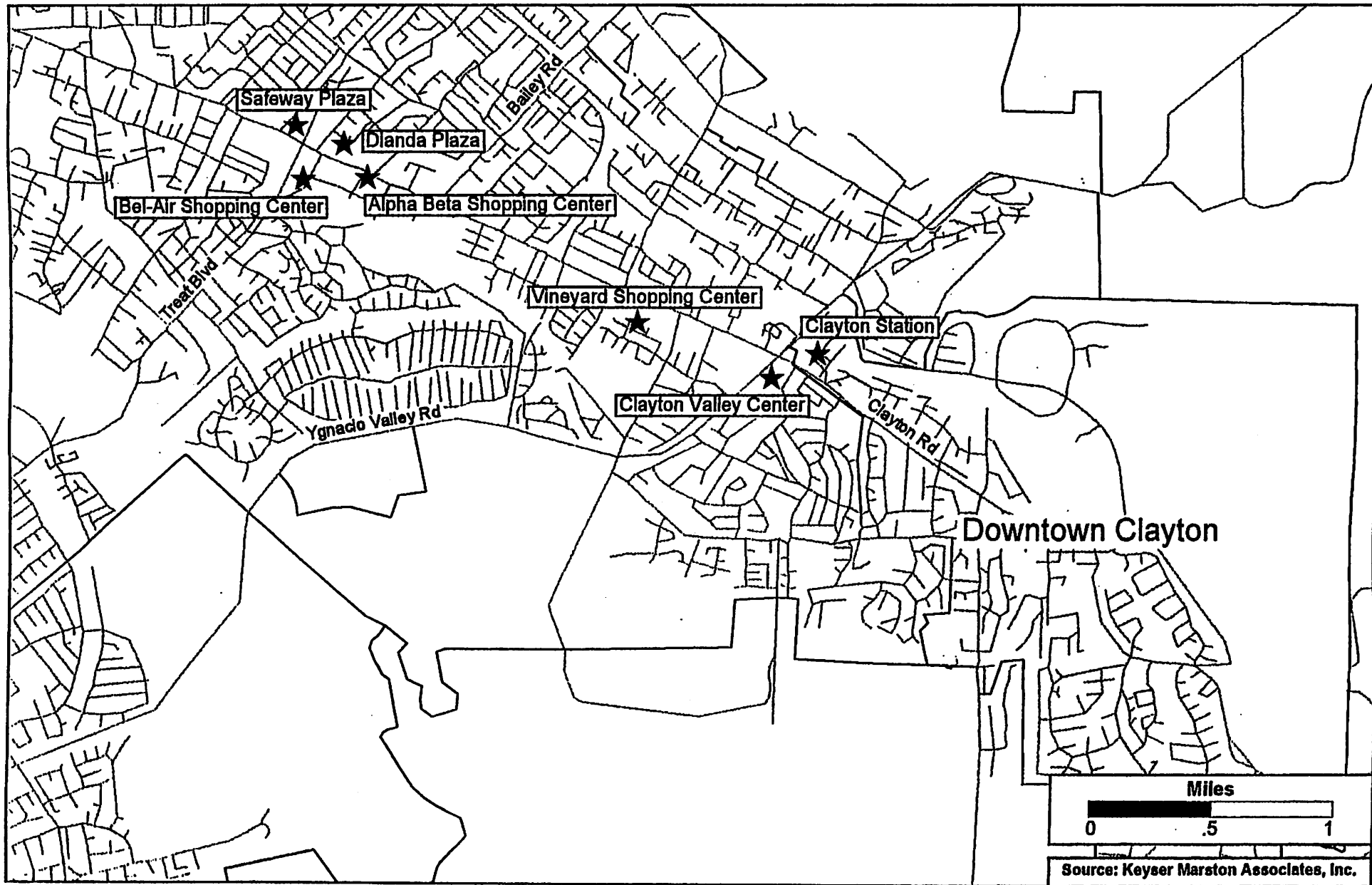
10% of the expenditure potential for comparison goods and eating and drinking outlets. Note that Clayton residents represent 25% of the trade area.

The City's sales performance for convenience retail, in comparison with the expenditure potential of its residents is a strong indicator that Clayton already captures significant sales support for convenience retail goods from residents of other cities. In fact, the City captures significantly more (@ 40% capture share) than its proportionate share of the trade area's expenditure potential for these goods. The majority of these sales are captured by Clayton Station, which commands a location from which it can draw shopper support from outside of the town. There appears to be little additional market opportunity to support addition of another major convenience shopping center in the downtown, like that envisioned for Town Center in the 1988 plan.

Clayton's retail outlets now capture only a small portion of the City's residents' expenditure potential for comparison goods and eating and drinking outlets. Further, it does not achieve a significant draw of the trade area's expenditure potential for these goods.

# Shopping Centers

## Clayton, California



Miles  
0 .5 1  
Source: Keyser Marston Associates, Inc.

## SECTION III: OFFICE

Today downtown Clayton has a small representation of office space which is occupied by services uses such as insurance, dentist, and business services. Generally a community such as Clayton has the eventual ability to support between 5 and 10 SF of local-serving office space per person, providing that the community is able to serve those needs locally as opposed to exporting them to other locations. As shown on Table 10, theoretically Clayton could support between 50,000 and 100,000 SF of office space.

Today the community has under 20,000 SF of office space. While in the near term it is likely that financial services, medical office, professional offices (law, accounting, etc.), and real estate offices would continue to locate in more established locations outside of downtown, the amount of local office in Clayton could likely be increased.

The current tight market conditions in the Walnut Creek-Concord market area provide a near term stimulus for development, especially for professional service firms in need of expansion.

Home based businesses represent an additional support base for office space for downtown, as described below.

### Home Based Business

Local sources report that the City of Clayton contains a significant number of home-based businesses. Home-based businesses are attractive alternatives to traditional jobs for many people for numerous reasons, including the independence of working for one's self, the convenience and flexibility of working at home, tax and other financial advantages, and elimination of the daily commute which has grown increasingly worse throughout central Contra Costa County. Clayton also has a large number of middle-class, well-educated, "techy" residents, characteristics that often lend themselves to entrepreneurship and to the capability to work independently at home. Further, it is perceived among some home business proprietors that Clayton is becoming more friendly to home businesses than in the past, citing the streamlined home business licensing process. The daytime presence of home businesses also provides additional security in neighborhoods primarily occupied by commuter households.

Home based businesses are typically difficult to measure. Data provided by the City of Clayton indicate that there are some 90 licensed home businesses in Clayton. However, it is likely that there are also more home businesses that are not licensed with the City. Home based businesses typically operate autonomously, that is without the assistance of a local chamber of commerce, a small business support center, or the peer support of a home business association. City data does provide a general profile of home businesses in Clayton, which indicates that such businesses are typical of home businesses elsewhere. They include various construction and small contracting trades, computer and high-tech services, professional

services such as desktop publishing and finance, import/export businesses, and other services such as gardening, landscaping, and photography.

There may be an opportunity for Clayton to capitalize on the unmet needs of home businesses. Some home business proprietors, for example, identified a need for reprographic services such as a Kinkos, high-speed communications facilities such as video conferencing, and shared conference/meeting spaces and clerical assistance. These services have the potential to attract demand from Clayton home businesses as well as neighboring communities. In addition, the daytime presence of these businesses brings added demand for other retail opportunities during weekdays that otherwise would not exist in suburban bedroom communities like Clayton. Because there is little information available about the number and nature of home businesses, however, it is difficult to quantify the potential demand for such services.

Today's home based businesses may also serve as a base of future demand for small office space. However, many home businesses do not aspire to grow out of their homes. There are several reasons. First, home businesses typically move out of the home and into an office when growth requires that they hire the first employee. Many home businesses in Clayton, however, have a spouse and/or other family members assisting with the business already, thereby alleviating the need to hire employees. Also, new single family homes in Clayton, such as those in the Oakhurst Master Plan development, are designed with features to accommodate for home businesses. Such features include added electrical wiring and capabilities, additional or flexible rooms or spaces for a home office, and additional storage spaces in the garage. As a result, many home businesses have the option to remain in their homes even as their space or other needs may grow

## SECTION IV: RESIDENTIAL

### A. Existing Residential Market

According to data from the California Department of Finance, more than 1,200 new housing units have been constructed in Clayton since 1990, an increase of nearly 50% (see Table 11). Single family detached homes represent nearly 65% of the new housing stock. Most of the rest of the new construction was for single family attached homes. In 1998 the state estimated that nearly 85% of the housing stock was single family detached units.

Employed residents in Clayton now generally commute to work locations throughout the I-680 corridor, and as far away as the Silicon Valley. When the initial homes were developed in Clayton, sources interviewed for this effort reported that most residents commuted to jobs in San Francisco. However, in the intervening decades, jobs have become more geographically decentralized in the Bay Area, while the commute has become far more time consuming.

Clayton is primarily perceived as an upscale, single family home market. Residents are typically families, with 62% of households having 3 or more persons. Only 10% of households are occupied by single persons. At the time of the 1990 Census, less than 5.5% of residents were 65 years old or older. By the year 2002, however, it is projected that elderly residents will represent over 1000 people, or more than 10% of the area's population.

Detached single family homes are the primary product type now available in the market area. As shown in Table 12, current absorption in the six projects surveyed for this effort averaged nearly 16 units per month in total, or roughly 2.6 units per month per project. The units generally range from roughly 2,000 to 3,200 SF in size and most support sales prices ranging from the low \$300,000's to the low \$400,000's, or \$121/SF to \$158/SF.

Current land use plans allow construction of up to 620 new units on 255 acres in Clayton (see Table 13). In addition, approvals are underway for development of 5,226 new units on 776 acres as part of the mixed use development program for Cowell Ranch.

In the surrounding area there is an active housing market for senior housing. In Concord and Walnut Creek alone there are over nine hundred assisted living units in thirteen facilities (see Table 14). Most offer such services as a daily meal program, housekeeping, transportation, linen and laundry services, personal assistance with medications and hygiene, and recreational programs. Some offer specialized care for residents with Alzheimer's or other dementia-related disorders.

There is evidence of strong demand for assisted living facilities in central Contra Costa County. Sunrise Assisted Living, which is located on Ygnacio Valley Boulevard in Walnut Creek, is the area's most recently constructed project. Management reports that as of June, 1998 about half of the 79 units have been rented, representing a rapid absorption rate of nearly 13 units a month.

since the project opened in March. At this time there are no assisted living facilities under construction or with building permit applications in Concord or Walnut Creek.

However, several projects have been proposed or discussed including potential facilities at the Olympic High School site on Willow Pass Road, on Clayton Road near Bailey, and downtown Walnut Creek.

Many suburban communities are adding higher density residential to their downtowns, including nearby upscale communities like Danville. These products include apartments and condominiums for empty nesters, multifamily units for young workers, and housing for seniors. Downtown housing is an opportunity to meet the needs of a variety of households, and to provide a means of retaining seniors who formerly resided in large family homes as well as the grown children of local families. Downtown housing also provides a stimulus to nearby commercial districts that far exceeds the dollar value of the purchases that the residents make downtown. Downtown residents provide a 24 hour sense of activity in the downtown, and a critical mass of development which provides downtown with a distinct identity. Introduction of downtown housing has proven to be a successful strategy for many small communities.

#### ***B. Elderly Housing***

The senior housing market can be divided into three distinct segments which are differentiated by age, health conditions, and related housing preferences. The following market segmentation profile is drawn from a review of the available literature on the elderly and their housing needs.

The members of the youngest segment, aged 55–64, are finishing their careers and transitioning into retirement. This population segment generally enjoys good health and maintains an active lifestyle. The majority of this segment chooses to “age in place,” maintaining their current residence. After their children leave home, some of these “empty nesters” have been attracted to the “move down” products which have been developed, including for-sale and for-rent multi-family developments. Nationally, this segment is an important source of demand for downtown condominiums and high-density rentals originally conceived as accommodations for young urban professionals. For many of this age segment, access to recreational activities such as golf, tennis and other sports, social engagements, and nightlife is an important determinant of relocation decisions.

This age segment is most likely to move to “active adult” age-restricted retirement facilities like Rossmoor in Walnut Creek or Sun City. Married couples who take early retirement are a primary market segment for amenity-packed active adult retirement facilities; couples represent 85% of sales of this senior housing product type.

The next segment ranges in age from 65 to 74, and have made a lifestyle transition to retirement. Like their next younger cohort, most of these elderly choose to age in place and remain in the homes they acquired or moved to in their late 40's and 50's. Household maintenance, particularly exterior and garden maintenance, is a growing concern for this segment, which may motivate relocation decisions. Their health is still generally quite good,



although not quite as robust as in earlier years. An estimated 12% of this segment has some level of disability. Social and recreational activities are still important determinants of locational decisions for this segment. Their active lifestyles require adequate storage for equipment and belongings, and full kitchen facilities are desired. Many members of this segment who do move choose a multi-family unit in a security building, but not necessarily and age-restricted facility.

The third segment is defined as those 74 years and older. For this segment, concerns about current and future health and mobility limitations may inspire relocation to a more supportive housing environment. However, most are still in good health and both resist and fear an institutional setting.

A national survey conducted in 1988 by the American Association of Retired Persons (AARP) showed that fully 86% of the elderly prefer to age in place and do not plan to move from their long-term homes. However, for those between 75 and 84, there is a 20% rate of disabilities. These disabled seniors are more likely candidates to move into a housing environment that offers services. Over the age of 85, the disability rate rises to 39%. Nationally, the average age at entry for residents of congregate care and continuous care facilities is between 73-75 years old.

In the last decade it has become clear that the majority of elderly households strongly prefer to age in place.

The target market for downtown Clayton includes the two youngest segments. While the large majority of the youngest, most active elderly households will choose to age in place and remain in their long term homes, some of these households may move out of their long term family home as part of retirement planning. Additionally, the middle senior age segment represents a market opportunity for the subject project. These seniors are more likely to consider relocation to a low maintenance living environment, but many do not need or anticipate needing congregate care or assisted living services.

In Concord and Walnut Creek alone there are over nine hundred assisted living units in thirteen facilities. Most offer such services as a daily meal program, housekeeping, transportation, linen and laundry services, personal assistance with medications and hygiene, and recreational programs. Some offer specialized care for residents with Alzheimer's or other dementia-related disorders. There continues to be a demand for assisted living in central Contra Cost County.

The area's most new recent facility, Sunrise Assisted Living of Walnut Creek which is located on Ygnacio Valley Boulevard, reports that about half of their 79 units have been rented since its opening in March. At this time there are no assisted living facilities under construction or with building permit applications in Concord or Walnut Creek, Clayton's primary competitive market. However, several projects have been proposed or discussed including potential facilities at the Olympic High School site on Willow Pass Road, on Clayton Road near Bailey, and downtown Walnut Creek.

**TABLE 1  
INVENTORY OF DOWNTOWN TENANTS  
DOWNTOWN DEVELOPMENT OPPORTUNITIES  
CITY OF CLAYTON**

---

TENANT	TYPE
Barber Shop	Barber
Bryce Anderson Attorney	Legal Services
Chiropractic Health Plan	Health Services
Clayton Club	Bar
Clayton Community Church	Religious Institution
Clayton Historical Museum	Museum
Clayton Nail Co.	Beauty Salon
Clayton Saddlery	Specialty Retail
Clayton Skin Care	Beauty Salon
Clayton Wood Products	Business Services
Clayton's Frontier Salon	Beauty Salon
Community Lending	Business Services
Courtyard Florist	Florist
Cowboy Corner	Specialty Retail
Creekside Bakery & Café	Restaurant
Ed's Mudville Grill	Restaurant
Farmers Insurance	Insurance
Farmvest, Inc.	Business Services
Geo Insight	Business Services
Grizzly, Inc.	Business Services
La Cocotte	Restaurant
Lemke Construction	Business Services
Lisa's Hair & Nail Techniques	Beauty Salon
Permanent Solution Hair & Nail	Beauty Salon
Randall Gardner, DDS	Dentist
Skippolini's	Restaurant
Stage Coach Inn	Restaurant
State Farm Insurance	Insurance
Steven Cademartori, DDS	Dentist
The Rider's Exchange	Specialty Retail
TLC Pet Grooming	Pet Store
U.S. Post Office	Government
Village Market	Grocery

**TABLE 2  
 CLAYTON STATION/PAVILION PLAZA - INVENTORY OF TENANTS  
 DOWNTOWN DEVELOPMENT OPPORTUNITIES  
 CITY OF CLAYTON**

---

TENANT	TYPE
A Sweet Affair	Candy Shop
B&T Cleaners	Cleaners
Banana Books	Bookstore
Beauty Supplies	Beauty Supplies
Blimpie Subs	Restaurant
Bud's Yogurt & Juice Bar	Restaurant
Café Italiano	Restaurant
Candy Boutique	Candy Shop
Carl's Jr.	Restaurant
Cat Hospital	Veterinary Services
Catholic Book & Gift Store	Bookstore
Clayton Bicycles	Bicycle Store
Computers USA	Computer Store
Concord Family Practice and Urgent Care	Health Care Services
Country Waffles	Restaurant
Dentist	Health Care Services
Dryclean USA	Cleaners
Elaines Salon Expertise	Beauty Supplies/Services
GNC	Vitamins
H&R Block	Business Services
Hair Now	Haircut
Nails by 2001	Beauty Supplies/Services
Noah's*	Bagel Shop
Papa Murphy's	Pizza Shop
Parrott Cellular	Telecommunications
Peppino's Italian Restaurant	Restaurant
Pizza Hut	Restaurant
Postal Annex	Postal Supplies/Services
Prime Cuts	Haircuts
R&L Jewelers	Jeweler
Safeway	Grocery Store
Shop N' Go	Convenience Store
Starbucks*	Coffee Shop
The Looking Glass	Gifts
Travel to Go	Travel Agency
United Studios of Self Defense	Martial Art Studio
Walgreens	Drug Store
Wells Fargo	Bank
Wherehouse	Music/Video Store

---

\* In Construction

**TABLE 3  
 DEMOGRAPHICS - CITY OF CLAYTON  
 DOWNTOWN DEVELOPMENT OPPORTUNITIES  
 CITY OF CLAYTON**

	1990		1997		2002	
	<u>Census</u>	<u>%</u>	<u>Estimate</u>	<u>%</u>	<u>Projection</u>	<u>%</u>
Population	7,317		9,844		11,342	
Households						
1 Person	228	9.6%	330	10.2%	400	10.7%
2 Person	728	30.6%	976	30.2%	1,139	30.3%
3-4 Person	1,105	46.4%	1,502	46.5%	1,742	46.4%
5+ Person	318	13.4%	422	13.1%	473	12.6%
TOTAL	2,379		3,230		3,754	
Avg. Household Size	3.08		3.05		3.02	
Owner-Occupied Hhlds	2,147	90%	2,921	90%	3,400	91%
Renter-Occupied Hhlds	232	10%	310	10%	354	9%
Age						
<13	1,531	20.9%	1,868	19.0%	2,001	17.6%
14-24	1,154	15.8%	1,621	16.5%	1,895	16.7%
25-44	2,328	31.8%	2,770	28.1%	2,865	25.3%
45-64	1,911	26.1%	2,804	28.5%	3,499	30.8%
65-74	283	3.9%	560	5.7%	702	6.2%
75-84	95	1.3%	179	1.8%	308	2.7%
85+	16	0.2%	42	0.4%	70	0.6%
Households by Income						
<\$24,999	186	7.9%	179	5.5%	186	5.0%
\$25-\$49,999	380	16.1%	443	13.7%	422	11.2%
\$50-\$74,999	815	34.5%	625	19.3%	499	13.3%
\$75-\$99,999	465	19.7%	870	26.9%	785	20.9%
>\$100,000	518	21.9%	1,113	34.4%	1,864	49.7%
Median Household Income	\$69,336		\$85,575		\$99,554	
Avg. Household Income	\$75,558		\$98,466		\$120,347	
Per Capita Income	\$24,577		\$32,312		\$39,833	

**TABLE 4  
 DEMOGRAPHICS - 3-MILE RADIUS  
 DOWNTOWN DEVELOPMENT OPPORTUNITIES  
 CITY OF CLAYTON**

	1990 <u>Census</u>	%	1997 <u>Estimate</u>	%	2002 <u>Projection</u>	%
Population	33,415		38,377		41,513	
Households	11,700		13,604		14,855	
Age						
<12	N/A		6,574	17.1%	N/A	
12-24	N/A		6,950	18.1%	N/A	
25-44	N/A		12,441	32.4%	N/A	
45-64	N/A		9,409	24.5%	N/A	
65-74	N/A		1,970	5.1%	N/A	
75+	N/A		1,032	2.7%	N/A	
Households by Income						
<\$20,000	1,142	9.8%	1,038	7.6%	1,022	6.9%
\$20-\$49,999	4,093	35.0%	3,376	24.8%	3,143	21.2%
\$50-\$74,999	3,409	29.1%	3,385	24.9%	2,981	20.1%
\$75-\$99,999	1,828	15.6%	2,797	20.6%	2,880	19.4%
>\$100,000	1,229	10.5%	3,007	22.1%	4,829	32.5%
Median Household Income	\$54,115		\$67,644		\$77,940	
Avg. Household Income	\$62,380		\$81,672		\$98,317	
Per Capita Income	\$21,257		\$27,486		\$33,213	

**TABLE 5  
TAXABLE RETAIL SALES POTENTIAL - CITY OF CLAYTON  
DOWNTOWN DEVELOPMENT OPPORTUNITIES  
CITY OF CLAYTON**

	Bay Area Average		City of Clayton	
	<u>% of Income Spent</u>	<u>Per Capita Expenditures</u>	<u>Per Capita Retail Sales Potential</u>	<u>Total Retail Sales Potential</u>
Drug	0.86%	\$214	\$214	\$2,151,000
Food	1.91%	\$473	\$473	\$4,754,000
<u>Packaged Liquor</u>	<u>0.28%</u>	<u>\$69</u>	<u>\$69</u>	<u>\$693,000</u>
Total Convenience	3.05%	\$756	\$756	\$7,598,000
Apparel	1.68%	\$416	\$480	\$4,822,000
General Merchandise	4.29%	\$1,064	\$1,227	\$12,332,000
Home Furnishings	1.66%	\$412	\$475	\$4,775,000
<u>Specialty Retail</u>	<u>5.64%</u>	<u>\$1,399</u>	<u>\$1,613</u>	<u>\$16,215,000</u>
Total Comparison	13.27%	\$3,291	\$3,795	\$38,144,000
Eating and Drinking	4.07%	\$1,011	\$1,166	\$11,718,000
Building Materials	2.20%	\$554	\$639	\$6,421,000
Auto Dealers & Supplies	8.00%	\$1,980	\$2,283	\$22,949,000
Service Stations	incl. above	incl. above	incl. above	incl. above
<u>Misc. Retail</u>	<u>0.40%</u>	<u>\$107</u>	<u>\$123</u>	<u>\$1,240,000</u>
Other Retail	10.60%	\$2,641	\$3,046	\$30,610,000
Total Retail Stores	30.99%	\$7,699	\$8,763	\$88,070,000

**TABLE 6**  
**POTENTIAL SUPPORTABLE RETAIL SPACE - CITY OF CLAYTON**  
**DOWNTOWN DEVELOPMENT OPPORTUNITIES**  
**CITY OF CLAYTON**

1996 Population (1): 10,050  
 2002 Population (2): 11,342

	1996 Exp. Potential Taxable Sales (000)	1996 Exp. Potential Total Sales (000)	1996 Supportable Retail Space (Sq. Ft.)	2002 Supportable Retail Space (Sq. Ft.)
Drug	\$2,151	\$3,309	11,031	12,446
Food	\$4,754	\$13,583	45,276	51,095
<u>Packaged Liquor</u>	<u>\$693</u>	<u>\$693</u>	<u>2,310</u>	<u>2,610</u>
Total Convenience	\$7,598	\$17,585	58,617	66,151
Apparel	\$4,822	\$4,822	16,073	18,137
General Merchandise	\$12,332	\$12,332	41,107	46,393
Home Furnishings	\$4,775	\$4,775	15,917	17,963
<u>Specialty Retail</u>	<u>\$16,215</u>	<u>\$16,215</u>	<u>54,050</u>	<u>61,000</u>
Total Comparison	\$38,144	\$38,144	127,147	143,493
Eating and Drinking	\$11,718	\$11,718	39,060	44,080
<b>SUBTOTAL</b>	<b>\$57,460</b>	<b>\$67,447</b>	<b>224,824</b>	<b>253,725</b>
Building Materials	\$6,421	\$6,421	21,403	24,157
Auto Dealers & Supplies	\$22,949	\$22,949	76,497	86,330
Service Stations	incl. above	incl. above	incl. above	incl. above
<u>Misc. Retail</u>	<u>\$1,240</u>	<u>\$1,240</u>	<u>4,133</u>	<u>4,667</u>
Other Retail	\$30,610	\$30,610	102,033	115,153
<b>TOTAL</b>	<b>\$88,070</b>	<b>\$98,057</b>	<b>326,857</b>	<b>368,878</b>

(1) California State Department of Finance  
 (2) Claritas, Inc.



**TABLE 7  
1996 TAXABLE RETAIL SALES PERFORMANCE  
DOWNTOWN DEVELOPMENT OPPORTUNITIES  
CITY OF CLAYTON**

---

*In Thousands*

	<u>Clayton Taxable Retail Sales</u>	<u>Expenditure Potential</u>	<u>Sales Import/ (Leakage)</u>	<u>Capture Rate</u>
Convenience Goods	\$11,557	\$7,598	\$3,959	152%
Comparison Goods	\$4,548	\$38,144	(\$33,596)	12%
Eating and Drinking	\$4,163	\$11,718	(\$7,555)	36%
Other Retail (1)	N/A	N/A	N/A	N/A
<b>TOTAL</b>	<b>\$20,268</b>	<b>\$57,460</b>	<b>(\$37,192)</b>	<b>35%</b>

---

(1) Data suppressed in order to protect confidentiality

**TABLE 8  
CITY OF CLAYTON MARKET SHARE OF 3-MILE TRADE AREA  
DOWNTOWN DEVELOPMENT OPPORTUNITIES  
CITY OF CLAYTON**

---

*In Thousands*

	<u>Taxable Sales City of Clayton</u>	<u>Expenditure Potential (3-Mile Trade Area)</u>	<u>Capture Rate</u>
Convenience Goods	\$11,557	\$28,944	40%
Comparison Goods	\$4,548	\$130,869	3%
Eating and Drinking	\$4,163	\$40,203	10%
Other Retail (1)	N/A	N/A	N/A
<b>TOTAL</b>	<b>\$20,268</b>	<b>\$200,016</b>	<b>10%</b>

---

(1) Data suppressed in order to protect confidentiality

**TABLE 9  
 SHOPPING CENTERS - CLAYTON VICINITY  
 DOWNTOWN DEVELOPMENT OPPORTUNITIES  
 CITY OF CLAYTON**

---

<u>NAME/LOCATION</u>	<u>ANCHOR TENANTS</u>	<u>NO. OF STORES</u>	<u>GROSS LEASABLE AREA (SQ. FT.)</u>
CLAYTON STATION Clayton & Kirker Pass Rds. Clayton	Safeway, Walgreens, Wherehouse	20	120,928
ALPHA BETA SHOPPING CENTER Clayton Rd. & Bailey Ave. Concord	Alpha Beta, TG&Y	7	45,000
BEL-AIR SHOPPING CENTER Treat Ln. & Clayton Rd. Concord	Lucky, Payless	15	95,667
CLAYTON VALLEY CENTER Ygnacio Valley Blvd. & Clayton Rd. Concord	Lucky, Longs Drugs	53	213,720
DIANDA PLAZA Clayton Rd. & Thornwood Dr. Concord	Food 4 Less, Wells Fargo	12	110,000
SAFEWAY PLAZA Clayton & Denkinger Rds. Concord	Safeway	5	60,000
VINEYARD SHOPPING CENTER Clayton Rd. & Alberta Wy. Concord	Kmart, McCaulou's, Sav-Mart	21	200,187

**TABLE 10  
LOCAL SERVING OFFICE DEMAND  
DOWNTOWN DEVELOPMENT OPPORTUNITIES  
CITY OF CLAYTON**

---

	City of Clayton (Sq. Ft.)
Gross Supportable Office Space	50-100,000
Existing Downtown Office Space	17,000
Net Supportable Office Space	<hr/> 33-83,000

**TABLE 11  
 HISTORICAL HOUSING STOCK - CITY OF CLAYTON  
 DOWNTOWN DEVELOPMENT OPPORTUNITIES  
 CITY OF CLAYTON**

<u>Year</u>	<u>Population</u>	<u>Total Housing Units</u>	<u>Single Family Detached</u>	<u>Single Family Attached</u>	<u>Multi- Family</u>	<u>Mobile Homes</u>	<u>Occupied</u>	<u>% Vacant</u>	<u>Persons Per Household</u>
1990	7,317	2,361	2,263	94	3	1	2,332	1.23%	3.14
1991	7,814	2,532	2,316	212	3	1	2,501	1.22%	3.12
1992	7,933	2,590	2,344	242	3	1	2,558	1.24%	3.10
1993	8,259	2,697	2,431	262	3	1	2,664	1.22%	3.10
1994	8,477	2,776	2,475	297	3	1	2,742	1.22%	3.09
1995	8,745	2,995	2,596	395	3	1	2,958	1.24%	2.96
1996	9,422	3,224	2,748	472	3	1	3,184	1.24%	2.96
1997	10,120	3,438	2,914	520	3	1	3,395	1.25%	2.98
1998	10,596	3,583	3,043	536	3	1	3,538	1.26%	2.99

**TABLE 12  
CURRENT SINGLE FAMILY HOME MARKET  
DOWNTOWN DEVELOPMENT OPPORTUNITIES  
CITY OF CLAYTON**

<u>Project</u>	<u>Location/Masterplan</u>	<u>Product Type</u>	<u>No. of Units</u>	<u>BR</u>	<u>BA</u>	<u>Unit Sizes (Sq. Ft.)</u>	<u>Price Range</u>	<u>Absorption (Sales/Month)</u>	<u>Units Remaining</u>
Falcon Ridge	Clayton/Oakhurst	Detached	145	3-4	2-3	2,200-2,900	\$338-\$417,000	3.51	76
Ironwood	Clayton/Oakhurst	Detached	135	3-4	2-3	1,800-2,700	\$285-\$329,000	4.72	32
Peacock Creek	Clayton/Oakhurst	Detached	140	4-5	2.5-4.5	3,000-4,000	\$392-\$493,000	2.21	100
Crystal Ranch	Concord/Crystal Ranch	Detached	89	4-5	2-3.5	2,400-3,200	\$364-\$404,000	3.03	42
Crystal Ranch Estates	Concord/Crystal Ranch	Detached	63	4-5	2-3	2,500-3,200	\$349-\$388,000	1.86	44
Ygnacio Woods Estates	Concord/None	Detached	35	3-4	2.5-3	2,400-3,100	\$336-\$380,000	0.56	9

**TABLE 13  
 POTENTIAL RESIDENTIAL SITES IN CLAYTON  
 DOWNTOWN DEVELOPMENT OPPORTUNITIES  
 CITY OF CLAYTON**

---

<u>SITE</u>	<u>ACRES</u>	<u>NO. UNITS</u>
Diablo Village Senior	6.5	120
Diablo Village Single Family	4.7	40
Easley Property	6.0	30
Marsh Creek Road	186.0	310
Mitchell Canyon #1	6.5	19
Mitchell Canyon #2	4.5	13
Oakwood	11.5	8
Pine Terrace	1.0	4
Seminary Site	24.2	9
Town Center (Misc. Sites)	3.5	65
Verna Way	0.7	2
	<hr/>	<hr/>
TOTAL	255.1	620



**TABLE 14  
 SENIOR ASSISTED LIVING FACILITIES - CLAYTON VICINITY  
 DOWNTOWN DEVELOPMENT OPPORTUNITIES  
 CITY OF CLAYTON**

---

<u>Project</u>	<u>No. of Address</u>	<u>Units</u>
<i>Concord</i>		
Concord Royale	4230 Clayt	123
Family Affair	1081 Mohr	160
Willows Care Home	3837 Willo	6
<i>Walnut Creek</i>		
Byron Park Retirement Resid.	1700 Tice	225
Eden Villa	2015 Mt.	37
Harmony Retirement Home	1621 Third	23
Heatherwood	1315 Mt. P	17
Kensington Place	1580 Gear	178
Montego Heights Lodge	1400 Mon	168
Sunrise Assisted Living	2175 Ygna	79
Tiffany Court	1866 San	58
Valley View Lodge	1228 Ross	125
Walnut Creek Guest Homes	60 San Ca	6

**EXHIBIT C**