

# Town & County Village Planning & Transportation Commission May 12, 2021



**TOWN & COUNTRY VILLAGE**  
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**Legend:**  
■ Office Tenants 2nd Floor  
■ Retail Tenants 1st Floor

**Building 1 2nd Floor:** Sullivan Assets Management (10)

**Building 3 2nd Floor:** #405 (856 sf), #401 (869 sf), #110 (crosspoint), #108 (1,309 sf), #109 (1,859 sf)

**Building Four:** #115 (1,530 sf), #110 (3,256 sf), #138 (1,750 sf), CVS pharmacy, jarbo, teleferic, HUDSON GRACE

**Building Five:** #157 (1,866 sf), #160 (690 sf), #127 (3,622 sf), #107 (1,259 sf), #123 (507 sf), #98 (874 sf)

**Building Two:** Sur la table, Howie's, PAPER SOURCE, CHASE, GOTT'S, FOREVER, ATHLETA, T&C Cleaners, Margaret O'Leary, Cotéac, Sur la table, Howie's, PAPER SOURCE, CHASE, GOTT'S, FOREVER, ATHLETA, T&C Cleaners, Margaret O'Leary, Cotéac

**Building 4 2nd Floor:** #290 (2,145 sf), #280 (297 sf), LUMA, CONTINUA

**Building 5 2nd Floor:** LEAN IN, RWVC, section, LEAN IN

**Retail Vacancy: 33,173 SF**  
**Office Vacancy: 4,167 SF**

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As of January,2021

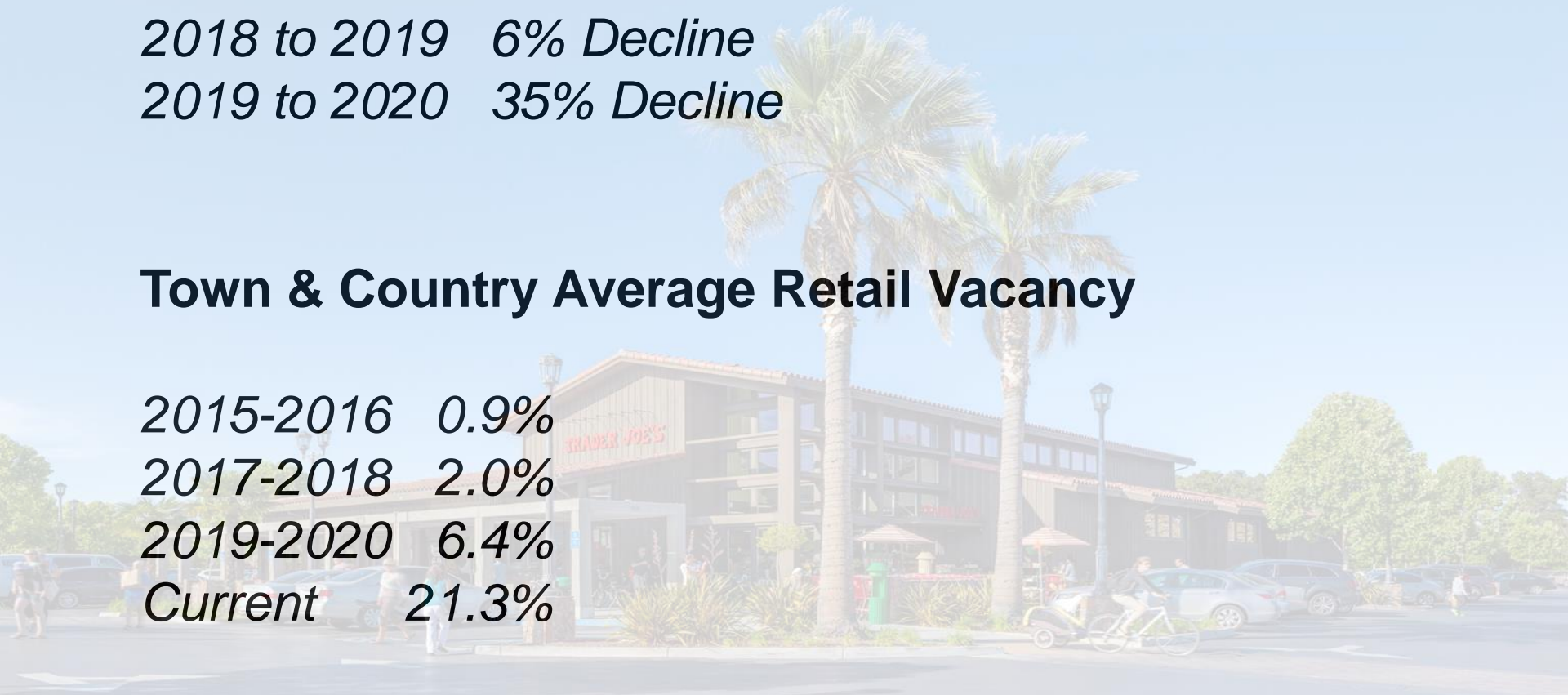
# Town & Country Village – Retail Facts

## Town & Country Retail Sales

*2017 to 2018 2% Decline*  
*2018 to 2019 6% Decline*  
*2019 to 2020 35% Decline*

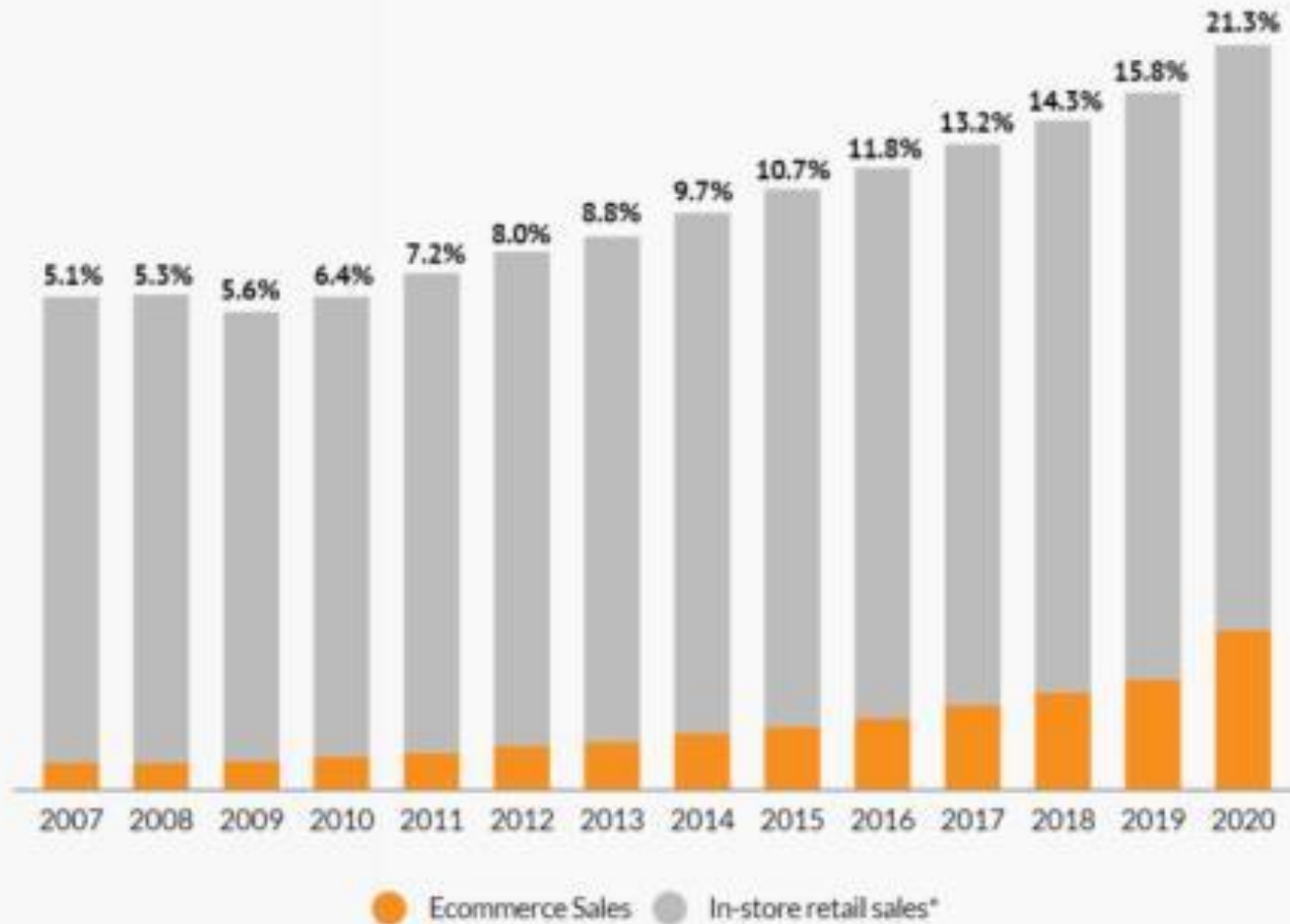
## Town & Country Average Retail Vacancy

*2015-2016 0.9%*  
*2017-2018 2.0%*  
*2019-2020 6.4%*  
*Current 21.3%*



# National Retail Trends

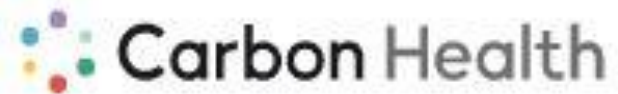
## Retail Sales Increasingly Going On-Line



# The Growth of Health Retail



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awaken<sup>MD</sup>

// FORWARD

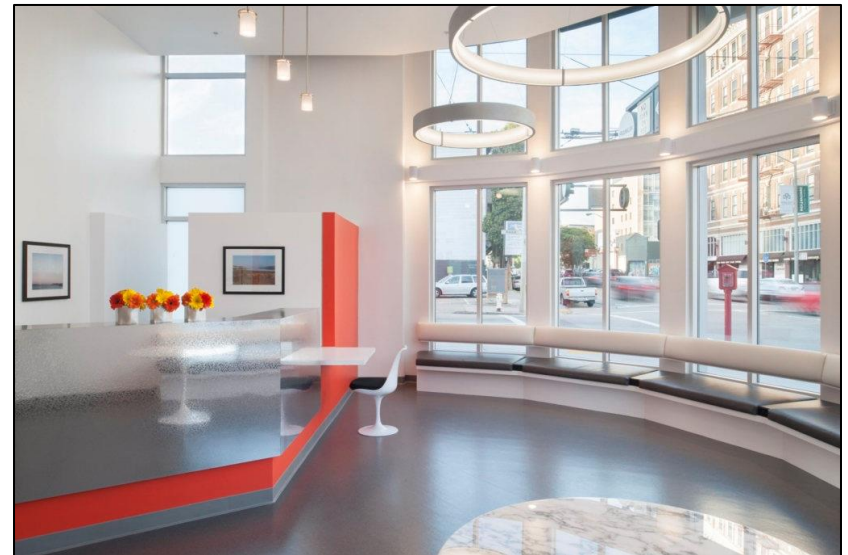
restore  
HYPER WELLNESS + CRYOTHERAPY



one medical

ORANGETWIST  
*Your Treatment Shop*

# The Growth of Health Retail



# Health Retail Facts

- **69% of US Adults visited a Health Care provider located at a shopping center in 2020 (Avg 3.6 visits per year)**
- **Visits were mostly to Primary Care, Dentists, Diagnostic and Urgent Care**
- **41% of those who visited Health Care providers at a shopping center now shop there more often**
- **74% shopped at other retail tenants during a visit to a Health Care provider**

# Proposed Zoning Text Change

1. Allow up to ~~20%~~ **10%** of the Ground Floor (up to ~~30,000~~ **15,025** sf) to be used for ~~Medical Office~~ **Health Retail** Uses
2. Increase the Site-Wide Office Cap from 15% to ~~30%~~ **21.4%** to accommodate the Ground Floor ~~Medical Office~~ **Health Retail** Uses.

**Current Office Cap:** 25,800 sf (15% of total sf)

**Proposed Office Cap:** ~~30,000~~ **15,025** sf Ground Fl Health Retail (max)  
21,500 sf Second Fl Office (max)

~~51,600~~ **36,579** sf (**21.4%** ~~30%~~ of total sf)

**Reduction in Allowed SF to 10% - ACCEPTABLE**

# Additional Restrictions Recommended by City Council and Staff

- Limit uses to those that comply with Retail Health definition
- Retail Health uses would NOT be on El Camino and Embarcadero frontages
- Maximum square feet (SF) per tenant of 5,000 SF
- Entry/reception area required to be 15% of tenant SF
- Storefront transparency requirements

## **ACCEPTABLE**

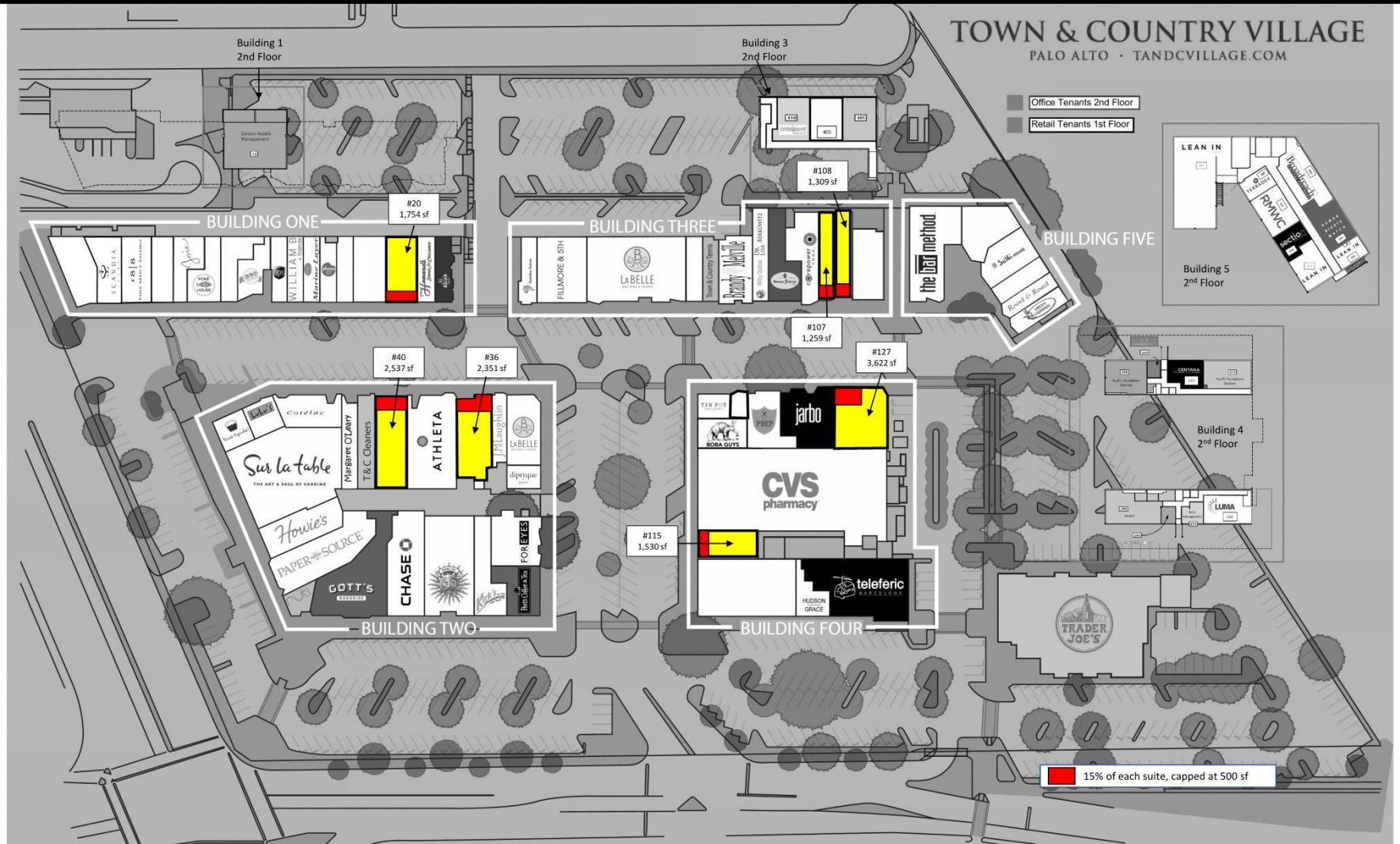
- Limited to leases signed in two years

## **UNACCEPTABLE**



# Example of Potential Site Plan with 15,000sf of Health Retail

Example of 15,000 SF



# Potential Impacts to Palo Alto Sales Tax Revenue

- Average Annual Sales Tax Revenue from Town & Country\*: \$637,000
- Potential Reduction in Annual Sales Tax Revenue if ALL ~~30,000~~ **15,025 sf** was leased to Health Retail: ~~\$78,000~~ **\$39,000** (Worst Case)
- Worst Case Reduction in T&C Sales Tax: ~~12%~~ **6.1%** (39k/637k)
- Worst Case Reduction in City-Wide Sales Tax: ~~<1%~~ **<0.5%**

***Health Retail tenants would drive much needed foot traffic to T&C and, in the absence of other new tenants, will boost retail sales, prevent more tenant failures and increase sales tax revenues!***

# Thank You!

