M E M O R A N D U M			
TO:	Jami Williams Abe Sheppard RRM Design Group	**DATE:**	September 9, 2022
FROM:	Roger Dale, Principal Joe McClure, Senior Associate The Natelson Dale Group, Inc. (TNDG)	**FILE:**	#4175
SUBJECT:	**REVISED DRAFT – Real Estate Market Overview and Long-range Demand Projections for San Carlos Downtown Specific Plan**		

This memorandum and the attached data tables provide a summary of TNDG's real estate demand projections for the Downtown Specific Plan (DTSP) area in San Carlos. The market overview is not intended to be a full-blown market study to define the feasibility of specific development projects, but provides a planning-level analysis of real estate absorption potentials in the study area. In particular, the analysis forecasts long term (2022-2040) development demand for the following land uses:

- Retail/restaurant space
- Office space
- Multi-family residential
- Research and development space (provided for citywide context, but not expected to be a downtown land use)
- Industrial space (provided for citywide context, but not expected to be a downtown land use)

The market forecasts are based on customized versions of TNDG's demand projection models, and also reflect the existing downtown business mix in San Carlos. For each land use, TNDG has forecasted potential citywide demand and then estimated the market shares or "capture rates" potentially achievable within the DTSP area.

At this time, the projections represent <u>unconstrained</u> demand and have not been adjusted to reflect available land/zoning capacity within the planning area.

<u>Citywide Context</u>

As a starting point for quantifying development opportunities in the Downtown area, TNDG evaluated existing market conditions and future development potentials for the City of San Carlos as a whole. TNDG's citywide market demand forecasts are summarized in Table A on the next page.

Summary Table A
San Carlos Market Summary
Existing Development and Future Demand Potentials CITYWIDE

Land Use	Existing Development	Future (Incremental) Demand, 2022-2040	Comments
Retail/restaurant (square feet)	2.2 million	625,000 – 790,000	Retail demand includes demand associated with existing "leakage" and incremental demand resulting from future population growth within a 5-mile trade area
Office (square feet)	800,000	80,000 – 125,000	Higher scenario reflects potential "spillover" demand from life sciences firms in East Side Innovation District
R&D space (square feet)	3.3 million	2,500,000+	Indicated future development is based on planned life sciences facilities in East Side Innovation District
Industrial (square feet)	2.6 million	250,000 – 600,000	Higher scenario reflects potential "spillover" demand from life sciences firms in East Side Innovation District
Residential (dwelling units)	12,318	600 (ABAG) 2,735+ (RHNA)	Lower end of range reflects ABAG's Plan Bay Area 2040 and 205 forecasts; higher scenario is based on City's RHNA allocation

Sources: Brokerage reports from CBRE and JLL; ABAG; TNDG.

Key SWOT Conditions Influencing Downtown San Carlos's Development Potentials

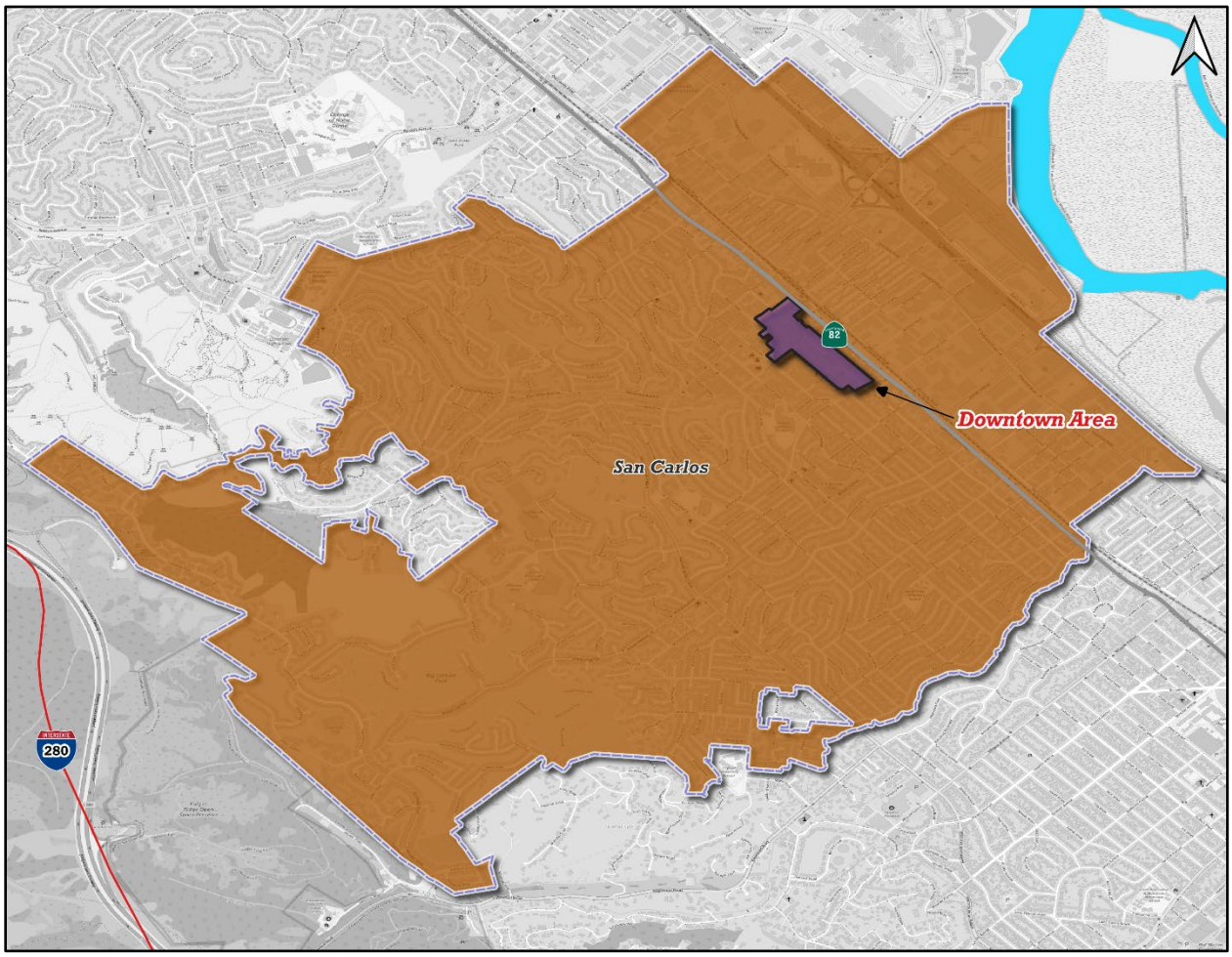
Future development opportunities within the Downtown Specific Plan area will be influenced by the following existing and foreseeable market conditions:

Strengths	**Weaknesses**
• Resident income levels (citywide) make San Carlos an attractive location for key business types (e.g., boutique retail stores and independent restaurants) appropriate for the downtown • Strong per capita retail sales (citywide) • Downtown's immediate proximity to major employment areas (East Side Innovation District) • Potential for significant population/ housing growth (market and RHNA driven), which can fuel downtown investment	• Citywide demand "leakage" in several key retail categories relevant not the downtown (grocery and restaurants); this "weakness" can also be interpreted as an opportunity for future development • Limited land available (and smaller, fragmented parcels) • "Disconnect" for businesses outside of Laurel core (a physical planning issue that will need to be addressed in order for the downtown to reach its full market potential)
Opportunities	**Threats**
• Recapture of citywide leakage in key retail spending categories (e.g., grocery) • Build on success of recent, higher-density residential projects in the vicinity of downtown • Leverage East Side Innovation District (massive forthcoming investment in life sciences facilities) • Extend Laurel Street closure (this issue will continue to be explored through the DTSP planning process)	• Global changes in retail (i.e., ongoing influence of e-commerce) can potentially undermine tenant recruitment efforts in the downtown • Compatibility of density with adjacent neighborhoods (higher density residential projects will potentially make the downtown attractive for developer investment, but need to be balanced with concerns of neighboring areas) • Competition from neighboring downtowns (San Carlos does not have a monopoly on attractive retail/dining destinations on the Peninsula)

Summary of Market Demand Projections – Downtown San Carlos

Summary Table B (on the next page) provides a brief overview of the market demand projections for Downtown San Carlos. Potential demand within the DTSP area (through 2040) is projected as follows (rounded):

- Retail/restaurant space – 100,000 to 130,000 square feet
- Office space – 30,000 to 50,000 square feet
- Multi-family residential – up to 747 units



Summary Table B
Overview of Market Demand Projections (through 2040)
San Carlos and Downtown Specific Plan Area

Land Use	Citywide Demand, through 2040		DTSP Demand, through 2040		Basis/Key Assumptions for Demand Scenarios	
	Baseline	**Aggressive**	**Baseline**	**Aggressive**	**Baseline**	**Aggressive**
Retail/restaurant (square feet)	625,000	790,000	100,000	130,000	San Carlos's percentage share of regional (5-mile trade area) demand will remain constant	Share of regional demand will grow over time in selected business categories relevant to downtown
Office (square feet)	80,000	125,000	30,000	50,000	Baseline forecasts reflect citywide (and Central San Mateo County) employment growth projected by ABAG	Aggressive forecasts reflect potential "spillover" demand from life sciences firms in East Side Innovation District
Multi-family residential (dwelling units)	600	2,735+	Up to 747		Baseline forecasts reflect citywide (and Central San Mateo County) household growth projected by ABAG	Aggressive forecasts reflect San Ramon's RHNA requirements; ***DTSP projection of 747 units reflects maximum capacity identified in Housing Element process***
Research and Development (R&D)	2,500,000+		N/A	N/A	Citywide forecast reflects planned life sciences projects in the East Side Innovation District; R&D is not a targeted downtown land use but will generate demand for downtown retail, services, and housing	
Industrial (square feet)	250,000	600,000	N/A	N/A	Baseline forecasts reflect citywide (and Central San Mateo County) employment growth projected by ABAG	Reflects life sciences "spillover" demand

Source: The Natelson Dale Group, Inc. (TNDG).

P.O. Box 489, Yorba Linda, California 92885
Phone: (714) 692-9596 . Fax: (714) 692-9597

Tables 1a and 1b (on the next page) provide additional summaries of TNDG's 18-year demand projections for the DTSP area. Table 1a provides *baseline* projections and Table 1b provides more *aggressive* projections. Assumptions underlying the baseline and aggressive forecasts for each land use include the following:

- ***Residential.*** The baseline (citywide) residential demand projections have been derived from household growth forecasts published by the Association of Bay Area Governments (ABAG).[1] The aggressive residential demand scenario is based on San Carlos's allocation under the Regional Housing Needs Allocation (RHNA) Plan for the San Francisco Bay Area. The aggressive demand scenario is intended to reflect the more robust market conditions that would exist within San Carlos if residential zoning capacity were expanded in accordance with the RHNA target. ***The DTSP projection of 747 units reflects maximum capacity identified in the City's current Housing Element update process.***

- ***Retail/restaurant.*** The retail demand analysis is based on household/population forecasts derived from ABAG projections. The Primary Market Area defined by the analysis is the City of San Carlos; the Secondary Market Area is the area outside the City within a five-mile radius from the Downtown. The baseline scenario for retail/restaurant demand reflects the assumption that San Carlos's capture rates of demand from the regional trade area (defined for these purposes as a 5-mile radius) will remain constant over the next 18 years (through 2040). Whereas the overall "pool" of regional demand will grow due to projected population growth, San Carlos's *share* of total demand would remain constant in percentage terms. Under the aggressive retail/restaurant scenario, San Carlos's capture rates of local and regional demand are assumed to increase in selected retail sales categories relevant to the downtown. Overall growth in regional demand would be the same as under the baseline scenario, but San Carlos's percentage shares would increase (as detailed in Appendices A and B).

- ***Office.*** The baseline office demand projections are derived from the relatively modest growth in San Carlos-based jobs, as forecasted by ABAG. The ABAG forecasts do not reflect the substantial employment growth that will be generated with the pending development of major life sciences facilities in the East Side Innovation District (immediately proximate to Downtown San Carlos). TNDG's aggressive office demand scenario reflects the potential for the life sciences facilities to create significant "spillover" demand for other land uses (including office space).

[1] ABAG's most recent city-level forecasts are from Plan Bay Area 2040. Plan Bay Area 2040 was superseded by Plan Bay Area 2050 (adopted in October 2021); however, the Plan Bay Area 2050 projections are not provided at the city level of geography. At the sub-regional level (Central San Mateo County), ABAG's 2050 projections indicate a higher household growth rate than the 2040 projections. To account for this change, TNDG has adjusted the city-level numbers (for 2040) to align with the more robust growth expectations for Central San Mateo county overall.

Table 1a
Potential Demand for New Development, 2022-2040 (BASELINE SCENARIO)
San Carlos Downtown Specific Plan Area

Land Use	Citywide Demand (Rounded)	Potential Downtown Capture Rate	Total Downtown Demand
Retail (square feet)			
Restaurant	70,000	30%	21,000
Grocery	50,000	30%	15,000
GAFO (1)	395,000	10%	39,500
Auto Parts	10,000	0%	0
Services	100,000	25%	25,000
Total	625,000		100,000
Office (square feet)	80,000	38%	30,000
Residential (dwelling units)	600	**See aggressive scenario (Table 1b)**	

(1) GAFO = General Merchandise, Apparel, Furniture, and Other/Specialty retail sales categories.

Source: TNDG.

Table 1b
Potential Demand for New Development, 2022-2040 (AGRESSIVE SCENARIO)
San Carlos Downtown Specific Plan Area

Land Use	Citywide Demand (Rounded)	Potential Downtown Capture Rate	Total Downtown Demand
Retail (square feet)			
Restaurant	100,000	30%	30,000
Grocery	50,000	30%	15,000
GAFO	500,000	10%	50,000
Auto Parts	10,000	0%	0
Services	130,000	27%	35,000
Total	790,000		130,000
Office (square feet)	125,000	40%	50,000
Residential (dwelling units)	2,735+	27%	747

Source: TNDG.

Summary of Retail Demand Analysis (Appendices A and B)

Table 2a below provides a summary of TNDG's retail demand analysis for the *baseline* scenario. This scenario assumes that San Carlos's capture rates of demand from the regional trade area (defined for these purposes as a 5-mile radius) will remain constant over the next 18 years. Whereas the overall "pool" of regional demand will grow due to projected population growth, San Carlos's *share* of total demand would remain constant in percentage terms.

Table 2a
Net Demand for New Retail Space, 2022-2040 (BASELINE SCENARIO)
City of San Carlos

Retail Category (square feet by year)	2025	2030	2035	2040
GAFO	300,983	330,478	361,158	393,082
Food and Beverage (grocery stores)	42,137	44,966	47,853	50,800
Food Service and Drinking (restaurants)	44,258	52,491	61,103	70,115
Auto Parts	9,328	9,782	10,246	10,719
Services Space @ 20% of retail	79,341	87,543	96,072	104,943
Grand Total	***476,047***	***525,260***	***576,432***	***629,659***

Source: TNDG.

Table 2b below provides a summary of TNDG's retail demand analysis for the *aggressive* scenario. This scenario assumes that San Carlos's capture rates of local and regional demand would increase slightly over time. Overall growth in regional demand would be the same as under the baseline scenario, but San Carlos's percentage shares would increase.

Table 2b
Net Demand for New Retail Space, 2022-2040 (AGGRESSIVE SCENARIO)
City of San Carlos

Retail Category (square feet by year)	2025	2030	2035	2040
GAFO	393,007	428,284	465,091	503,508
Food and Beverage (grocery stores)	42,137	44,966	47,853	50,800
Food Service and Drinking (restaurants)	63,948	73,417	83,340	93,742
Auto Parts	9,328	9,782	10,246	10,719
Services Space @ 20% of retail	101,684	111,290	121,306	131,754
Grand Total	***610,103***	***667,738***	***727,838***	***790,522***

Source: TNDG.

The charts in Appendix C provide additional analysis of existing retail market conditions in San Carlos (compared to the neighboring communities of San Mateo, Foster City, Belmont, Redwood City and Atherton).

Summary of Office Demand Analysis

The baseline office demand projections are derived from the relatively modest employment growth rates projected for San Carlos in the Association of Bay Area Governments (ABAG) regional demographic forecasts.[2] The ABAG forecasts do not reflect the substantial employment growth that will be generated with the pending development of major life sciences facilities in the East Side Innovation District (separate from, but immediately proximate to, the downtown). Whereas life sciences buildings are not "offices" per se (they are generally classified as research and development space), the large scale of the anticipated life sciences facilities in San Carlos (totaling over 2.5 million square feet) has the potential to significantly raise San Carlos's profile as a premiere business location and thus create "spillover" demand for new office facilities. This potential synergistic effect is represented in the aggressive scenario for TNDG's office demand projections. Under the baseline scenario, total employment in San Carlos would increase by 1,958 jobs between 2020 and 2040 (or approximately 1,762 jobs for the 18-year period starting in 2022). Under the aggressive scenario, San Carlos would add more than 6,500 jobs by 2040 (see Tables 3 and 4 on the next page for calculations).

[2] The most recent city-level forecasts from ABAG are from Plan Bay Area 2040. These forecasts indicate that total employment in San Carlos will increase by 1,335 jobs between 2020 and 2040. TNDG has increased this number to 1,958 jobs to reflect the more robust growth indicated (for Central San Mateo County) in Plan Bay Area 2050.

Table 3
Projected Employment Growth, 2022-2040
City of San Carlos

Variable	Baseline Scenario	Aggressive Scenario
Employment Growth in San Carlos		
Total New Jobs, 2022-2040 (ABAG)	1,202	
Adjusted to higher PBA 2050 forecast	1,762	
TNDG forecast reflecting additional jobs in life sciences buildings		6,527
Breakdown of Jobs by Building Type		
Office space	315	500
R&D space	650	5,000
Industrial space	171	400
Other	627	627
Total	1,762	6,527

Source: TNDG.

Table 4
Demand for New Office Space, 2022-2040
City of San Carlos

Variable	Baseline Scenario	Aggressive Scenario
New office jobs, 2022-2040	315	500
Office demand (square feet) per job	250	250
New Office Demand (citywide)	78,750	125,000

Source: TNDG.

Housing Market Analysis

The baseline citywide residential demand projections have been derived from household growth forecasts published by the Association of Bay Area Governments (ABAG) in the Plan Bay Area 2040 and Plan Bay Area 2050 documents.[3] The Plan Bay Area forecasts (as interpreted by TNDG) represent citywide growth of approximately 33 households per year for the period between 2020 and 2040, which is generally consistent with recent historic trends (see Table 5 below). Applied to the 18-year forecast horizon, this growth rate translates to demand for approximately 600 new dwelling units between 2022 and 2040.

The aggressive residential demand scenario is based on San Carlos's allocation under the Regional Housing Needs Allocation (RHNA) Plan for the San Francisco Bay Area. San Carlos's RHNA allocation is 2,735 dwelling units for the period 2023-2031. For purposes of the aggressive demand scenario, TNDG's analysis assumes that absorption of the 2,735 would be spread over the 2022-2040 forecast period. This greatly accelerated rate of household growth (compared to the baseline forecast) is intended to reflect the more robust market conditions that would exist within San Carlos if residential zoning capacity were expanded in accordance with the RHNA target.

Table 5
Residential Building Permit Unit Totals by Building Unit Size, 2011-2021
City of San Carlos

Building Unit Size	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	11-yr Avg
1 Unit	2	6	18	2	7	16	14	10	3	28	38	13.1
2 Units	0	0	0	0	0	0	0	0	0	0	0	0.0
3-4 Units	0	0	0	0	0	0	0	0	0	4	0	0.4
5+ Units	0	0	0	0	11	253	28	6	33	0	8	30.8
Total	*2*	*6*	*18*	*2*	*18*	*269*	*42*	*16*	*36*	*32*	*46*	44.3

Source: U.S. Census Bureau, Place Level Residential Building Permit Statistics; TNDG.

TNDG believes that the Plan Bay Area (PBA) 2040 and 2050 forecasts significantly understate the amount of new housing development that could be captured in San Carlos under favorable market/policy conditions. In particular, the PBA forecasts are largely informed by the scarcity of available land for new development. Thus, these official forecasts are likely to substantially

[3] ABAG's most recent city-level forecasts are from Plan Bay Area 2040. Plan Bay Area 2040 was superseded by Plan Bay Area 2050 (adopted in October 2021); however, the Plan Bay Area 2050 projections are not provided at the city level of geography. At the sub-regional level (Central San Mateo County), ABAG's 2050 projections indicate a higher household growth rate than the 2040 projections. To account for this change, TNDG has adjusted the city-level numbers (for 2040) to align with the more robust growth expectations for Central San Mateo county overall.

underrepresent actual market demand given the potential to redevelop existing lower-intensity development with higher density residential uses. Indeed, just meeting the City's RHNA allocation requires the City to plan for the capacity to build 2,735 new dwelling units, which would represent annual development of about *152 units* if spread over the 2022-2040 forecast period.

Table 6 below summarizes the baseline and aggressive scenarios.

Table 6
Demand for New Residential Dwelling Units, 2022-2040
City of San Carlos

Forecast Scenario	Totals
Baseline Scenario	
2020-2040 ABAG (PBA) Forecasted Household Growth	410
Effective Dwelling Unit Growth @ 5% Vacancy	432
Adjusted for Higher Plan Bay Area 2050 growth rate	633
Projected Unit Demand per Year	32
2022-2040 Forecast, Total New Dwelling Units	576
Dwelling Unit Demand (Rounded)	600
Aggressive Scenario	
RHNA Allocation for San Carlos (2023-2031)	2,735

Source: TNDG; ABAG, Plan Bay Area (PBA) 2040 and Plan Bay Area (PBA) 2050; ABAG, Final Regional Housing Needs Allocation (RHNA) Plan: San Francisco Bay Area, 2023-2031.

Appendix A

Retail Demand Calculations

(BASELINE SCENARIO)

Table A-1
Population Estimates and Projections
San Carlos Retail Trade Area

Area	2020	2021	2022	2025	2027	2030	2035	2040
Primary Market Area	30,722	30,980	31,238	31,624	31,884	32,277	32,945	33,625
Secondary Market Area	250,786	252,609	254,432	263,928	270,445	280,509	298,082	316,705
Total	281,508	283,589	285,670	295,552	302,329	312,787	331,027	350,330

Source: ESRI; ABAG; TNDG.

Table A-2
Per Capita Income Projections
San Carlos Retail Trade Area
In constant dollars

	2022	
Money income		
Primary Market Area	$106,600	
Secondary Market Area	$81,800	
Annual Increase Factor	0.00%	(after 2022)

Area	2021	2022	2025	2027	2030	2035	2040
Primary Market Area	$100,900	$106,600	$106,600	$106,600	$106,600	$106,600	$106,600
Secondary Market Area	$76,900	$81,800	$81,800	$81,800	$81,800	$81,800	$81,800

Source: ESRI; TNDG.

Table A-3
Total Income and Potential Retail Sales Projections
San Carlos Retail Trade Area
In thousands of constant dollars

Area	2021	2022	2025	2027	2030	2035	2040
Percent of Income Spent on Retail:							
Primary Market Area	25.8%	25.8%	25.8%	25.8%	25.8%	25.8%	25.8%
Secondary Market Area	28.6%	28.6%	28.6%	28.6%	28.6%	28.6%	28.6%
Total Income:							
Primary Market Area	$3,125,882	$3,329,971	$3,371,098	$3,398,797	$3,440,774	$3,511,891	$3,584,477
Secondary Market Area	$19,425,632	$20,812,538	$21,589,303	$22,122,405	$22,945,655	$24,383,115	$25,906,455
Total	$22,551,514	$24,142,508	$24,960,401	$25,521,202	$26,386,429	$27,895,006	$29,490,932
Potential Retail Sales:							
Primary Market Area	$806,728	$859,399	$870,013	$877,162	$887,995	$906,349	$925,082
Secondary Market Area	$5,546,144	$5,942,115	$6,163,887	$6,316,091	$6,551,134	$6,961,538	$7,396,461
Total	$6,352,872	$6,801,514	$7,033,900	$7,193,253	$7,439,129	$7,867,887	$8,321,544

Source: TNDG.

Table A-4
Distribution of Retail Sales by Retail Category
San Carlos Retail Trade Area

Retail Category	%Distribution 2021	%Distribution 2022	%Distribution 2025	%Distribution 2027	%Distribution 2030	%Distribution 2035	%Distribution 2040
Shopper Goods:							
Clothing and Clothing Accessories	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%
General Merchandise	11.9%	11.9%	11.9%	11.9%	11.9%	11.9%	11.9%
Home Furnishings and Appliances	5.8%	5.8%	5.8%	5.8%	5.8%	5.8%	5.8%
Specialty/Other	20.8%	20.8%	20.8%	20.8%	20.8%	20.8%	20.8%
Subtotal	44.0%	44.0%	44.0%	44.0%	44.0%	44.0%	44.0%
Convenience Goods:							
Food and Beverage	15.7%	15.7%	15.7%	15.7%	15.7%	15.7%	15.7%
Food Service and Drinking	12.8%	12.8%	12.8%	12.8%	12.8%	12.8%	12.8%
Subtotal	28.5%	28.5%	28.5%	28.5%	28.5%	28.5%	28.5%
Heavy Commercial Goods:							
Bldg. Matrl. and Garden Equip. and Supplies	8.3%	8.3%	8.3%	8.3%	8.3%	8.3%	8.3%
Motor Vehicle and Parts Dealers	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%
Gasoline Stations	6.1%	6.1%	6.1%	6.1%	6.1%	6.1%	6.1%
Subtotal	27.4%	27.4%	27.4%	27.4%	27.4%	27.4%	27.4%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: TNDG, based on historic trends (2019 taxable sales) reported by the California Department of Tax and Fee Administration for San Mateo County.

Table A-5
Projected Demand for Retail Sales by Major Retail Category
San Carlos Retail Trade Area - Primary Market Area
In thousands of constant dollars

Retail Category	2021	2022	2025	2027	2030	2035	2040
Shopper Goods:							
Clothing and Clothing Accessories	$44,252	$47,141	$47,723	$48,116	$48,710	$49,717	$50,744
General Merchandise	96,333	102,622	103,890	104,743	106,037	108,229	110,466
Home Furnishings and Appliances	47,021	50,091	50,709	51,126	51,757	52,827	53,919
Specialty/Other	167,716	178,666	180,873	182,359	184,611	188,427	192,321
Subtotal	$355,321	$378,520	$383,195	$386,344	$391,115	$399,199	$407,450
Convenience Goods:							
Food and Beverage	$126,903	$135,189	$136,858	$137,983	$139,687	$142,574	$145,521
Food Service and Drinking	103,077	109,807	111,164	112,077	113,461	115,806	118,200
Subtotal	$229,981	$244,996	$248,022	$250,060	$253,148	$258,381	$263,721
Heavy Commercial Goods:							
Bldg. Matrl. and Garden Equip. and Supplies	$66,813	$71,175	$72,055	$72,647	$73,544	$75,064	$76,615
Motor Vehicle and Parts Dealers	105,179	112,046	113,430	114,362	115,774	118,167	120,609
Gasoline Stations	49,434	52,662	53,312	53,750	54,414	55,539	56,687
Subtotal	$221,426	$235,883	$238,796	$240,758	$243,732	$248,770	$253,911
Total	$806,728	$859,399	$870,013	$877,162	$887,995	$906,349	$925,082

Source: TNDG.

Table A-6
Projected Demand for Retail Sales by Major Retail Category
San Carlos Retail Trade Area - Secondary Market Area
In thousands of constant dollars

Retail Category	2021	2022	2025	2027	2030	2035	2040
Shopper Goods:							
Clothing and Clothing Accessories	$304,226	$325,947	$338,112	$346,461	$359,354	$381,866	$405,723
General Merchandise	662,275	709,558	736,041	754,215	782,282	831,290	883,224
Home Furnishings and Appliances	323,260	346,339	359,265	368,137	381,836	405,757	431,107
Specialty/Other	1,153,023	1,235,344	1,281,450	1,313,093	1,361,957	1,447,279	1,537,698
Subtotal	$2,442,784	$2,617,189	$2,714,867	$2,781,905	$2,885,429	$3,066,191	$3,257,752
Convenience Goods:							
Food and Beverage	$872,443	$934,732	$969,618	$993,560	$1,030,534	$1,095,093	$1,163,509
Food Service and Drinking	708,643	759,237	787,573	807,021	837,053	889,491	945,062
Subtotal	$1,581,086	$1,693,969	$1,757,191	$1,800,581	$1,867,587	$1,984,584	$2,108,571
Heavy Commercial Goods:							
Bldg. Matrl. and Garden Equip. and Supplies	$459,332	$492,126	$510,493	$523,099	$542,565	$576,555	$612,575
Motor Vehicle and Parts Dealers	723,088	774,714	803,628	823,471	854,116	907,623	964,327
Gasoline Stations	339,854	364,118	377,707	387,034	401,437	426,585	453,236
Subtotal	$1,522,274	$1,630,958	$1,691,828	$1,733,604	$1,798,118	$1,910,763	$2,030,138
Total	$5,546,144	$5,942,115	$6,163,887	$6,316,091	$6,551,134	$6,961,538	$7,396,461

Source: TNDG.

Table A-7
Potential Capture of Market Area Demand for Retail Sales Expressed in Percentages
San Carlos Retail Trade Area - Primary Market Area

Retail Category	2021	2022	2025	2027	2030	2035	2040
Shopper Goods:							
Clothing and Clothing Accessories	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%
General Merchandise	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%
Home Furnishings and Appliances	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%
Specialty/Other	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%
Convenience Goods:							
Food and Beverage	60.0%	60.0%	60.0%	60.0%	60.0%	60.0%	60.0%
Food Service and Drinking	70.0%	70.0%	75.0%	75.0%	75.0%	75.0%	75.0%
Heavy Commercial Goods:							
Bldg. Matrl. and Garden Equip. and Supplies	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Motor Vehicle and Parts Dealers	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%
Gasoline Stations	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: TNDG.

Table A-8
Potential Capture of Market Area Demand for Retail Sales Expressed in Percentages
San Carlos Retail Trade Area - Secondary Market Area

Retail Category	2021	2022	2025	2027	2030	2035	2040
Shopper Goods:							
Clothing and Clothing Accessories	6.1%	6.1%	6.1%	6.1%	6.1%	6.1%	6.1%
General Merchandise	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Home Furnishings and Appliances	18.7%	18.7%	18.7%	18.7%	18.7%	18.7%	18.7%
Specialty/Other	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Convenience Goods:							
Food and Beverage	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Food Service and Drinking	5.1%	5.1%	6.5%	6.5%	6.5%	6.5%	6.5%
Heavy Commercial Goods:							
Bldg. Matrl. and Garden Equip. and Supplies	39.9%	39.9%	39.9%	39.9%	39.9%	39.9%	39.9%
Motor Vehicle and Parts Dealers	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Gasoline Stations	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Source: TNDG.

Table A-9
Potential Capture of Market Area Demand for Retail Sales
San Carlos Retail Trade Area - Primary Market Area
In thousands of constant dollars

Retail Category	2021	2022	2025	2027	2030	2035	2040
Shopper Goods:							
Clothing and Clothing Accessories	$30,976	$32,999	$33,406	$33,681	$34,097	$34,802	$35,521
General Merchandise	67,433	71,836	72,723	73,320	74,226	75,760	77,326
Home Furnishings and Appliances	32,914	35,063	35,496	35,788	36,230	36,979	37,743
Specialty/Other	117,401	125,066	126,611	127,651	129,228	131,899	134,625
Subtotal	$248,725	$264,964	$268,237	$270,441	$273,781	$279,439	$285,215
Convenience Goods:							
Food and Beverage	$76,142	$81,113	$82,115	$82,790	$83,812	$85,545	$87,313
Food Service and Drinking	72,154	76,865	83,373	84,058	85,096	86,855	88,650
Subtotal	$148,296	$157,978	$165,488	$166,848	$168,908	$172,399	$175,963
Heavy Commercial Goods:							
Bldg. Matrl. and Garden Equip. and Supplies	$66,813	$71,175	$72,055	$72,647	$73,544	$75,064	$76,615
Motor Vehicle and Parts Dealers	73,625	78,432	79,401	80,053	81,042	82,717	84,426
Gasoline Stations	49,434	52,662	53,312	53,750	54,414	55,539	56,687
Subtotal	$189,873	$202,269	$204,767	$206,450	$209,000	$213,319	$217,729
Total	$586,894	$625,212	$638,492	$643,738	$651,688	$665,158	$678,906

Source: TNDG.

Table A-10
Potential Capture of Market Area Demand for Retail Sales
San Carlos Retail Trade Area - Secondary Market Area
In thousands of constant dollars

Retail Category	2021	2022	2025	2027	2030	2035	2040
Shopper Goods:							
Clothing and Clothing Accessories	$18,558	$19,883	$20,625	$21,134	$21,921	$23,294	$24,749
General Merchandise	0	0	0	0	0	0	0
Home Furnishings and Appliances	60,450	64,765	67,183	68,842	71,403	75,877	80,617
Specialty/Other	0	0	0	0	0	0	0
Subtotal	$79,007	$84,648	$87,807	$89,976	$93,324	$99,170	$105,366
Convenience Goods:							
Food and Beverage	$0	$0	$0	$0	$0	$0	$0
Food Service and Drinking	36,141	38,721	51,192	52,456	54,408	57,817	61,429
Subtotal	$36,141	$38,721	$51,192	$52,456	$54,408	$57,817	$61,429
Heavy Commercial Goods:							
Bldg. Matrl. and Garden Equip. and Supplies	$183,273	$196,358	$203,687	$208,716	$216,484	$230,045	$244,418
Motor Vehicle and Parts Dealers	0	0	0	0	0	0	0
Gasoline Stations	0	0	0	0	0	0	0
Subtotal	$183,273	$196,358	$203,687	$208,716	$216,484	$230,045	$244,418
Total	$298,422	$319,728	$342,687	$351,148	$364,216	$387,033	$411,213

Source: TNDG.

Table A-11
Potential Capture of Market Area Demand for Retail Sales
San Carlos Retail Trade Area - All Market Areas Combined
In thousands of constant dollars

Retail Category	2021	2022	2025	2027	2030	2035	2040
Shopper Goods:							
Clothing and Clothing Accessories	$49,534	$52,882	$54,031	$54,815	$56,017	$58,095	$60,270
General Merchandise	67,433	71,836	72,723	73,320	74,226	75,760	77,326
Home Furnishings and Appliances	93,364	99,829	102,679	104,630	107,633	112,855	118,360
Specialty/Other	117,401	125,066	126,611	127,651	129,228	131,899	134,625
Subtotal	$327,732	$349,612	$356,044	$360,416	$367,105	$378,610	$390,581
Convenience Goods:							
Food and Beverage	$76,142	$81,113	$82,115	$82,790	$83,812	$85,545	$87,313
Food Service and Drinking	108,295	115,586	134,565	136,514	139,504	144,672	150,079
Subtotal	$184,437	$196,700	$216,680	$219,304	$223,317	$230,216	$237,392
Heavy Commercial Goods:							
Bldg. Matrl. and Garden Equip. and Supplies	$250,087	$267,534	$275,741	$281,363	$290,027	$305,109	$321,033
Motor Vehicle and Parts Dealers	73,625	78,432	79,401	80,053	81,042	82,717	84,426
Gasoline Stations	49,434	52,662	53,312	53,750	54,414	55,539	56,687
Subtotal	$373,146	$398,628	$408,454	$415,166	$425,483	$443,365	$462,146
Total	$885,315	$944,939	$981,178	$994,886	$1,015,904	$1,052,191	$1,090,119

Source: TNDG.

Table A-12
Comparison of Potential Retail Demand with Estimated Sales
City of San Carlos
in thousands of constant dollars

Retail Category	2021 Demand	2021 Estimated Sales	Expected Less Actual	Percent Actual/ Expected
Shopper Goods:				
Clothing and Clothing Accessories	$49,534	$49,267	$267	99.5%
General Merchandise	$67,433	$8,533	58,900	12.7%
Home Furnishings and Appliances	$93,364	$93,142	222	99.8%
Specialty/Other	$117,401	$92,234	25,168	78.6%
Subtotal	$327,732	$243,175	$84,557	74.2%
Convenience Goods:				
Food and Beverage	$76,142	$56,833	$19,309	74.6%
Food Service and Drinking	$108,295	$108,010	285	99.7%
Subtotal	$184,437	$164,843	$19,594	89.4%
Heavy Commercial Goods:				
Bldg. Matrl. and Garden Equip. and Supplies	$250,087	$249,959	$127	99.9%
Motor Vehicle and Parts Dealers	$73,625	$45,717	27,908	62.1%
Gasoline Stations	$49,434	$35,512	13,922	71.8%
Subtotal	$373,146	$331,189	$41,957	88.8%
Total	$885,315	$739,207	$146,108	83.5%

Source: CDTFA; TNDG.

Table A-13
Net New Supportable Retail Sales (based on 2021 existing sales)
City of San Carlos
in thousands of constant dollars

Retail Category	2021	2022	2025	2027	2030	2035	2040
Shopper Goods:							
Clothing and Clothing Accessories	$267	$3,614	$4,764	$5,548	$6,750	$8,828	$11,003
General Merchandise	58,900	63,303	64,190	64,788	65,693	67,228	68,793
Home Furnishings and Appliances	222	6,687	9,537	11,488	14,492	19,714	25,218
Specialty/Other	25,168	32,833	34,377	35,418	36,994	39,665	42,391
Subtotal	$84,557	$106,437	$112,869	$117,241	$123,929	$135,434	$147,406
Convenience Goods:							
Food and Beverage	$19,309	$24,280	$25,282	$25,957	$26,979	$28,712	$30,480
Food Service and Drinking	285	7,576	26,555	28,504	31,494	36,662	42,069
Subtotal	$19,594	$31,857	$51,837	$54,461	$58,474	$65,373	$72,549
Heavy Commercial Goods:							
Bldg. Matrl. and Garden Equip. and Supplies	$127	$17,575	$25,782	$31,404	$40,068	$55,150	$71,074
Motor Vehicle and Parts Dealers	27,908	32,715	33,683	34,336	35,324	36,999	38,709
Gasoline Stations	13,922	17,150	17,800	18,238	18,902	20,027	21,175
Subtotal	$41,957	$67,439	$77,266	$83,978	$94,295	$112,176	$130,958
Total	$146,108	$205,733	$241,971	$255,680	$276,698	$312,984	$350,912

Source: TNDG.

Table A-14
Sales Per Square Foot Standards
San Carlos Retail Trade Area
Expressed in Sales/Square Feet

Retail Category	Sales/Square Feet
GAFO*	$375
Food and Beverage	$600
Food Service and Drinking	$600
Bldg. Matrl. and Garden Equip. and Supplies	$325
Automotive Parts	$325

*GAFO: General Merchandise, Apparel, Furniture/Appliances, Other/Specialty

Source: Retail Maxim; Urban Land Institute (ULI); TNDG.

Table A-15
Net Demand for Retail Space
City of San Carlos
Expressed in Square Feet

Retail Category	2021	2022	2025	2027	2030	2035	2040
Shopper Goods:							
GAFO	225,485	283,832	300,983	312,642	330,478	361,158	393,082
Convenience Goods:							
Food and Beverage	32,182	40,467	42,137	43,261	44,966	47,853	50,800
Food Service and Drinking	475	12,627	44,258	47,507	52,491	61,103	70,115
Subtotal	32,657	53,094	86,395	90,768	97,456	108,956	120,915
Heavy Commercial Goods:							
Bldg. Matrl. and Garden Equip. and Supplies	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Automotive Parts*	7,728	9,059	9,328	9,508	9,782	10,246	10,719
Gasoline Stations	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Subtotal	7,728	9,059	9,328	9,508	9,782	10,246	10,719
Services Space @ 20% of retail	53,174	69,197	79,341	82,584	87,543	96,072	104,943
Total Retail Space	***319,044***	***415,183***	***476,047***	***495,503***	***525,260***	***576,432***	***629,659***

*Assumes that automotive parts stores account for 9% of sales in overall Automotive group category (based on statewide average).

Source: TNDG.

Appendix B

Retail Demand Calculations

(AGGRESSIVE SCENARIO)

Table B-1
Population Estimates and Projections
San Carlos Retail Trade Area

Area	2020	2021	2022	2025	2027	2030	2035	2040
Primary Market Area	30,722	30,980	31,238	31,624	31,884	32,277	32,945	33,625
Secondary Market Area	250,786	252,609	254,432	263,928	270,445	280,509	298,082	316,705
Total	281,508	283,589	285,670	295,552	302,329	312,787	331,027	350,330

Source: ESRI; ABAG; TNDG.

Table B-2
Per Capita Income Projections
San Carlos Retail Trade Area
In constant dollars

	2022	
Money income		
Primary Market Area	$106,600	
Secondary Market Area	$81,800	
Annual Increase Factor	0.00%	(after 2022)

Area	2021	2022	2025	2027	2030	2035	2040
Primary Market Area	$100,900	$106,600	$106,600	$106,600	$106,600	$106,600	$106,600
Secondary Market Area	$76,900	$81,800	$81,800	$81,800	$81,800	$81,800	$81,800

Source: ESRI; TNDG.

Table B-3
Total Income and Potential Retail Sales Projections
San Carlos Retail Trade Area
In thousands of constant dollars

Area	2021	2022	2025	2027	2030	2035	2040
Percent of Income Spent on Retail:							
Primary Market Area	25.8%	25.8%	25.8%	25.8%	25.8%	25.8%	25.8%
Secondary Market Area	28.6%	28.6%	28.6%	28.6%	28.6%	28.6%	28.6%
Total Income:							
Primary Market Area	$3,125,882	$3,329,971	$3,371,098	$3,398,797	$3,440,774	$3,511,891	$3,584,477
Secondary Market Area	$19,425,632	$20,812,538	$21,589,303	$22,122,405	$22,945,655	$24,383,115	$25,906,455
Total	$22,551,514	$24,142,508	$24,960,401	$25,521,202	$26,386,429	$27,895,006	$29,490,932
Potential Retail Sales:							
Primary Market Area	$806,728	$859,399	$870,013	$877,162	$887,995	$906,349	$925,082
Secondary Market Area	$5,546,144	$5,942,115	$6,163,887	$6,316,091	$6,551,134	$6,961,538	$7,396,461
Total	$6,352,872	$6,801,514	$7,033,900	$7,193,253	$7,439,129	$7,867,887	$8,321,544

Source: TNDG.

Table B-4
Distribution of Retail Sales by Retail Category
San Carlos Retail Trade Area

Retail Category	%Distribution 2021	%Distribution 2022	%Distribution 2025	%Distribution 2027	%Distribution 2030	%Distribution 2035	%Distribution 2040
Shopper Goods:							
Clothing and Clothing Accessories	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%
General Merchandise	11.9%	11.9%	11.9%	11.9%	11.9%	11.9%	11.9%
Home Furnishings and Appliances	5.8%	5.8%	5.8%	5.8%	5.8%	5.8%	5.8%
Specialty/Other	20.8%	20.8%	20.8%	20.8%	20.8%	20.8%	20.8%
Subtotal	44.0%	44.0%	44.0%	44.0%	44.0%	44.0%	44.0%
Convenience Goods:							
Food and Beverage	15.7%	15.7%	15.7%	15.7%	15.7%	15.7%	15.7%
Food Service and Drinking	12.8%	12.8%	12.8%	12.8%	12.8%	12.8%	12.8%
Subtotal	28.5%	28.5%	28.5%	28.5%	28.5%	28.5%	28.5%
Heavy Commercial Goods:							
Bldg. Matrl. and Garden Equip. and Supplies	8.3%	8.3%	8.3%	8.3%	8.3%	8.3%	8.3%
Motor Vehicle and Parts Dealers	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%
Gasoline Stations	6.1%	6.1%	6.1%	6.1%	6.1%	6.1%	6.1%
Subtotal	27.4%	27.4%	27.4%	27.4%	27.4%	27.4%	27.4%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: TNDG, based on historic trends (2019 taxable sales) reported by the California Department of Tax and Fee Administration for San Mateo County.

Table B-5
Projected Demand for Retail Sales by Major Retail Category
San Carlos Retail Trade Area - Primary Market Area
In thousands of constant dollars

Retail Category	2021	2022	2025	2027	2030	2035	2040
Shopper Goods:							
Clothing and Clothing Accessories	$44,252	$47,141	$47,723	$48,116	$48,710	$49,717	$50,744
General Merchandise	96,333	102,622	103,890	104,743	106,037	108,229	110,466
Home Furnishings and Appliances	47,021	50,091	50,709	51,126	51,757	52,827	53,919
Specialty/Other	167,716	178,666	180,873	182,359	184,611	188,427	192,321
Subtotal	$355,321	$378,520	$383,195	$386,344	$391,115	$399,199	$407,450
Convenience Goods:							
Food and Beverage	$126,903	$135,189	$136,858	$137,983	$139,687	$142,574	$145,521
Food Service and Drinking	103,077	109,807	111,164	112,077	113,461	115,806	118,200
Subtotal	$229,981	$244,996	$248,022	$250,060	$253,148	$258,381	$263,721
Heavy Commercial Goods:							
Bldg. Matrl. and Garden Equip. and Supplies	$66,813	$71,175	$72,055	$72,647	$73,544	$75,064	$76,615
Motor Vehicle and Parts Dealers	105,179	112,046	113,430	114,362	115,774	118,167	120,609
Gasoline Stations	49,434	52,662	53,312	53,750	54,414	55,539	56,687
Subtotal	$221,426	$235,883	$238,796	$240,758	$243,732	$248,770	$253,911
Total	$806,728	$859,399	$870,013	$877,162	$887,995	$906,349	$925,082

Source: TNDG.

Table B-6
Projected Demand for Retail Sales by Major Retail Category
San Carlos Retail Trade Area - Secondary Market Area
In thousands of constant dollars

Retail Category	2021	2022	2025	2027	2030	2035	2040
Shopper Goods:							
Clothing and Clothing Accessories	$304,226	$325,947	$338,112	$346,461	$359,354	$381,866	$405,723
General Merchandise	662,275	709,558	736,041	754,215	782,282	831,290	883,224
Home Furnishings and Appliances	323,260	346,339	359,265	368,137	381,836	405,757	431,107
Specialty/Other	1,153,023	1,235,344	1,281,450	1,313,093	1,361,957	1,447,279	1,537,698
Subtotal	$2,442,784	$2,617,189	$2,714,867	$2,781,905	$2,885,429	$3,066,191	$3,257,752
Convenience Goods:							
Food and Beverage	$872,443	$934,732	$969,618	$993,560	$1,030,534	$1,095,093	$1,163,509
Food Service and Drinking	708,643	759,237	787,573	807,021	837,053	889,491	945,062
Subtotal	$1,581,086	$1,693,969	$1,757,191	$1,800,581	$1,867,587	$1,984,584	$2,108,571
Heavy Commercial Goods:							
Bldg. Matrl. and Garden Equip. and Supplies	$459,332	$492,126	$510,493	$523,099	$542,565	$576,555	$612,575
Motor Vehicle and Parts Dealers	723,088	774,714	803,628	823,471	854,116	907,623	964,327
Gasoline Stations	339,854	364,118	377,707	387,034	401,437	426,585	453,236
Subtotal	$1,522,274	$1,630,958	$1,691,828	$1,733,604	$1,798,118	$1,910,763	$2,030,138
Total	$5,546,144	$5,942,115	$6,163,887	$6,316,091	$6,551,134	$6,961,538	$7,396,461

Source: TNDG.

Table B-7
Potential Capture of Market Area Demand for Retail Sales Expressed in Percentages
San Carlos Retail Trade Area - Primary Market Area

Retail Category	2021	2022	2025	2027	2030	2035	2040
Shopper Goods:							
Clothing and Clothing Accessories	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%
General Merchandise	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%
Home Furnishings and Appliances	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%
Specialty/Other	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%
Convenience Goods:							
Food and Beverage	60.0%	60.0%	60.0%	60.0%	60.0%	60.0%	60.0%
Food Service and Drinking	70.0%	70.0%	75.0%	75.0%	75.0%	75.0%	75.0%
Heavy Commercial Goods:							
Bldg. Matrl. and Garden Equip. and Supplies	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Motor Vehicle and Parts Dealers	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%
Gasoline Stations	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: TNDG.

Table B-8
Potential Capture of Market Area Demand for Retail Sales Expressed in Percentages
San Carlos Retail Trade Area - Secondary Market Area

Retail Category	2021	2022	2025	2027	2030	2035	2040
Shopper Goods:							
Clothing and Clothing Accessories	7.1%	7.1%	7.1%	7.1%	7.1%	7.1%	7.1%
General Merchandise	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Home Furnishings and Appliances	19.7%	19.7%	19.7%	19.7%	19.7%	19.7%	19.7%
Specialty/Other	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Convenience Goods:							
Food and Beverage	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Food Service and Drinking	7.1%	7.1%	8.0%	8.0%	8.0%	8.0%	8.0%
Heavy Commercial Goods:							
Bldg. Matrl. and Garden Equip. and Supplies	40.9%	40.9%	40.9%	40.9%	40.9%	40.9%	40.9%
Motor Vehicle and Parts Dealers	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Gasoline Stations	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Source: TNDG.

Table B-9
Potential Capture of Market Area Demand for Retail Sales
San Carlos Retail Trade Area - Primary Market Area
In thousands of constant dollars

Retail Category	2021	2022	2025	2027	2030	2035	2040
Shopper Goods:							
Clothing and Clothing Accessories	$30,976	$32,999	$33,406	$33,681	$34,097	$34,802	$35,521
General Merchandise	67,433	71,836	72,723	73,320	74,226	75,760	77,326
Home Furnishings and Appliances	32,914	35,063	35,496	35,788	36,230	36,979	37,743
Specialty/Other	117,401	125,066	126,611	127,651	129,228	131,899	134,625
Subtotal	$248,725	$264,964	$268,237	$270,441	$273,781	$279,439	$285,215
Convenience Goods:							
Food and Beverage	$76,142	$81,113	$82,115	$82,790	$83,812	$85,545	$87,313
Food Service and Drinking	72,154	76,865	83,373	84,058	85,096	86,855	88,650
Subtotal	$148,296	$157,978	$165,488	$166,848	$168,908	$172,399	$175,963
Heavy Commercial Goods:							
Bldg. Matrl. and Garden Equip. and Supplies	$66,813	$71,175	$72,055	$72,647	$73,544	$75,064	$76,615
Motor Vehicle and Parts Dealers	73,625	78,432	79,401	80,053	81,042	82,717	84,426
Gasoline Stations	49,434	52,662	53,312	53,750	54,414	55,539	56,687
Subtotal	$189,873	$202,269	$204,767	$206,450	$209,000	$213,319	$217,729
Total	$586,894	$625,212	$638,492	$643,738	$651,688	$665,158	$678,906

Source: TNDG.

Table B-10
Potential Capture of Market Area Demand for Retail Sales
San Carlos Retail Trade Area - Secondary Market Area
In thousands of constant dollars

Retail Category	2021	2022	2025	2027	2030	2035	2040
Shopper Goods:							
Clothing and Clothing Accessories	$21,600	$23,142	$24,006	$24,599	$25,514	$27,112	$28,806
General Merchandise	13,245	14,191	14,721	15,084	15,646	16,626	17,664
Home Furnishings and Appliances	63,682	68,229	70,775	72,523	75,222	79,934	84,928
Specialty/Other	11,530	12,353	12,814	13,131	13,620	14,473	15,377
Subtotal	$110,058	$117,916	$122,316	$125,337	$130,001	$138,145	$146,776
Convenience Goods:							
Food and Beverage	$0	$0	$0	$0	$0	$0	$0
Food Service and Drinking	50,314	53,906	63,006	64,562	66,964	71,159	75,605
Subtotal	$50,314	$53,906	$63,006	$64,562	$66,964	$71,159	$75,605
Heavy Commercial Goods:							
Bldg. Matrl. and Garden Equip. and Supplies	$187,867	$201,280	$208,792	$213,947	$221,909	$235,811	$250,543
Motor Vehicle and Parts Dealers	0	0	0	0	0	0	0
Gasoline Stations	0	0	0	0	0	0	0
Subtotal	$187,867	$201,280	$208,792	$213,947	$221,909	$235,811	$250,543
Total	$348,238	$373,101	$394,114	$403,846	$418,874	$445,115	$472,924

Source: TNDG.

Table B-11
Potential Capture of Market Area Demand for Retail Sales
San Carlos Retail Trade Area - All Market Areas Combined
In thousands of constant dollars

Retail Category	2021	2022	2025	2027	2030	2035	2040
Shopper Goods:							
Clothing and Clothing Accessories	$52,576	$56,141	$57,412	$58,280	$59,611	$61,914	$64,327
General Merchandise	80,678	86,027	87,444	88,405	89,872	92,386	94,990
Home Furnishings and Appliances	96,597	103,292	106,272	108,311	111,452	116,913	122,671
Specialty/Other	128,931	137,420	139,425	140,782	142,847	146,372	150,002
Subtotal	$358,783	$382,880	$390,553	$395,777	$403,782	$417,584	$431,991
Convenience Goods:							
Food and Beverage	$76,142	$81,113	$82,115	$82,790	$83,812	$85,545	$87,313
Food Service and Drinking	122,468	130,771	146,379	148,619	152,060	158,014	164,255
Subtotal	$198,610	$211,884	$228,494	$231,409	$235,872	$243,559	$251,568
Heavy Commercial Goods:							
Bldg. Matrl. and Garden Equip. and Supplies	$254,680	$272,455	$280,846	$286,594	$295,453	$310,875	$327,159
Motor Vehicle and Parts Dealers	73,625	78,432	79,401	80,053	81,042	82,717	84,426
Gasoline Stations	49,434	52,662	53,312	53,750	54,414	55,539	56,687
Subtotal	$377,739	$403,549	$413,559	$420,397	$430,909	$449,130	$468,272
Total	$935,132	$998,313	$1,032,606	$1,047,584	$1,070,563	$1,110,274	$1,151,830

Source: TNDG.

Table B-12
Comparison of Potential Retail Demand with Estimated Sales
City of San Carlos
in thousands of constant dollars

Retail Category	2021 Demand	2021 Estimated Sales	Expected Less Actual	Percent Actual/ Expected
Shopper Goods:				
Clothing and Clothing Accessories	$52,576	$49,267	$3,309	93.7%
General Merchandise	$80,678	$8,533	72,146	10.6%
Home Furnishings and Appliances	$96,597	$93,142	3,455	96.4%
Specialty/Other	$128,931	$92,234	36,698	71.5%
Subtotal	$358,783	$243,175	$115,608	67.8%
Convenience Goods:				
Food and Beverage	$76,142	$56,833	$19,309	74.6%
Food Service and Drinking	$122,468	$108,010	14,458	88.2%
Subtotal	$198,610	$164,843	$33,767	83.0%
Heavy Commercial Goods:				
Bldg. Matrl. and Garden Equip. and Supplies	$254,680	$249,959	$4,721	98.1%
Motor Vehicle and Parts Dealers	$73,625	$45,717	27,908	62.1%
Gasoline Stations	$49,434	$35,512	13,922	71.8%
Subtotal	$377,739	$331,189	$46,551	87.7%
Total	$935,132	$739,207	$195,925	79.0%

Source: CDTFA; TNDG.

Table B-13
Net New Supportable Retail Sales (based on 2021 existing sales)
City of San Carlos
in thousands of constant dollars

Retail Category	2021	2022	2025	2027	2030	2035	2040
Shopper Goods:							
Clothing and Clothing Accessories	$3,309	$6,874	$8,145	$9,012	$10,344	$12,647	$15,060
General Merchandise	72,146	77,494	78,911	79,872	81,339	83,853	86,458
Home Furnishings and Appliances	3,455	10,150	13,130	15,169	18,310	23,771	29,529
Specialty/Other	36,698	45,186	47,192	48,549	50,614	54,138	57,768
Subtotal	$115,608	$139,704	$147,378	$152,602	$160,606	$174,409	$188,816
Convenience Goods:							
Food and Beverage	$19,309	$24,280	$25,282	$25,957	$26,979	$28,712	$30,480
Food Service and Drinking	14,458	22,761	38,369	40,609	44,050	50,004	56,245
Subtotal	$33,767	$47,041	$63,651	$66,566	$71,030	$78,716	$86,725
Heavy Commercial Goods:							
Bldg. Matrl. and Garden Equip. and Supplies	$4,721	$22,496	$30,887	$36,635	$45,494	$60,915	$77,199
Motor Vehicle and Parts Dealers	27,908	32,715	33,683	34,336	35,324	36,999	38,709
Gasoline Stations	13,922	17,150	17,800	18,238	18,902	20,027	21,175
Subtotal	$46,551	$72,360	$82,371	$89,209	$99,720	$117,942	$137,083
Total	$195,925	$259,106	$293,399	$308,377	$331,356	$371,067	$412,623

Source: TNDG.

Table B-14
Sales Per Square Foot Standards
San Carlos Retail Trade Area
Expressed in Sales/Square Feet

Retail Category	Sales/Square Feet
GAFO*	$375
Food and Beverage	$600
Food Service and Drinking	$600
Bldg. Matrl. and Garden Equip. and Supplies	$325
Automotive Parts	$325

*GAFO: General Merchandise, Apparel, Furniture/Appliances, Other/Specialty

Source: Retail Maxim; Urban Land Institute (ULI); TNDG.

Table B-15
Net Demand for Retail Space
City of San Carlos
Expressed in Square Feet

Retail Category	2021	2022	2025	2027	2030	2035	2040
Shopper Goods:							
GAFO	308,287	372,545	393,007	406,939	428,284	465,091	503,508
Convenience Goods:							
Food and Beverage	32,182	40,467	42,137	43,261	44,966	47,853	50,800
Food Service and Drinking	24,097	37,935	63,948	67,682	73,417	83,340	93,742
Subtotal	56,278	78,402	106,085	110,944	118,383	131,193	144,541
Heavy Commercial Goods:							
Bldg. Matrl. and Garden Equip. and Supplies	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Automotive Parts*	7,728	9,059	9,328	9,508	9,782	10,246	10,719
Gasoline Stations	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Subtotal	7,728	9,059	9,328	9,508	9,782	10,246	10,719
Services Space @ 20% of retail	74,459	92,001	101,684	105,478	111,290	121,306	131,754
Total Retail Space	***446,752***	***552,008***	***610,103***	***632,869***	***667,738***	***727,836***	***790,522***

*Assumes that automotive parts stores account for 9% of sales in overall Automotive group category (based on statewide average).

Source: TNDG.

Appendix C

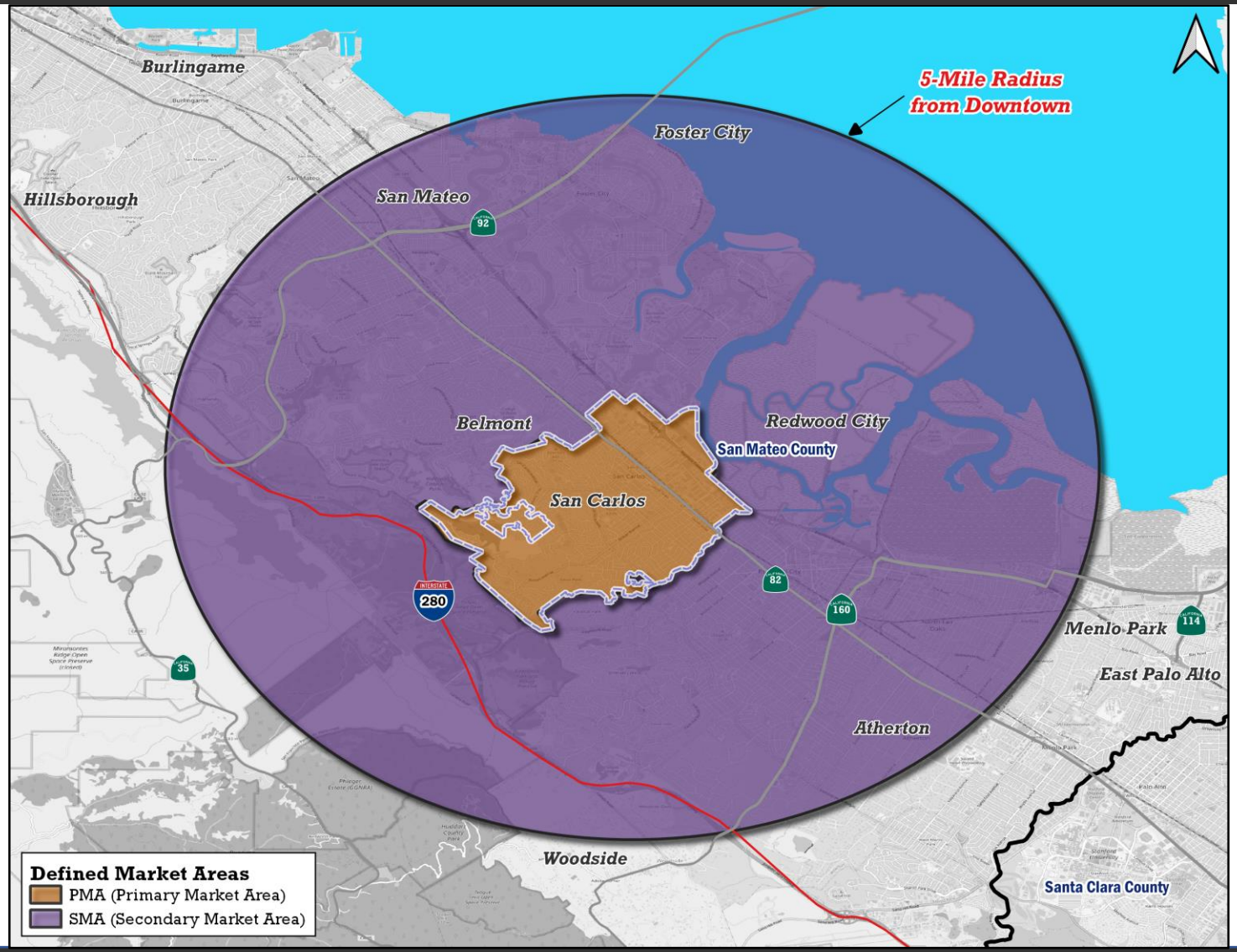
Retail Sales Trends

San Carlos and Neighboring Cities

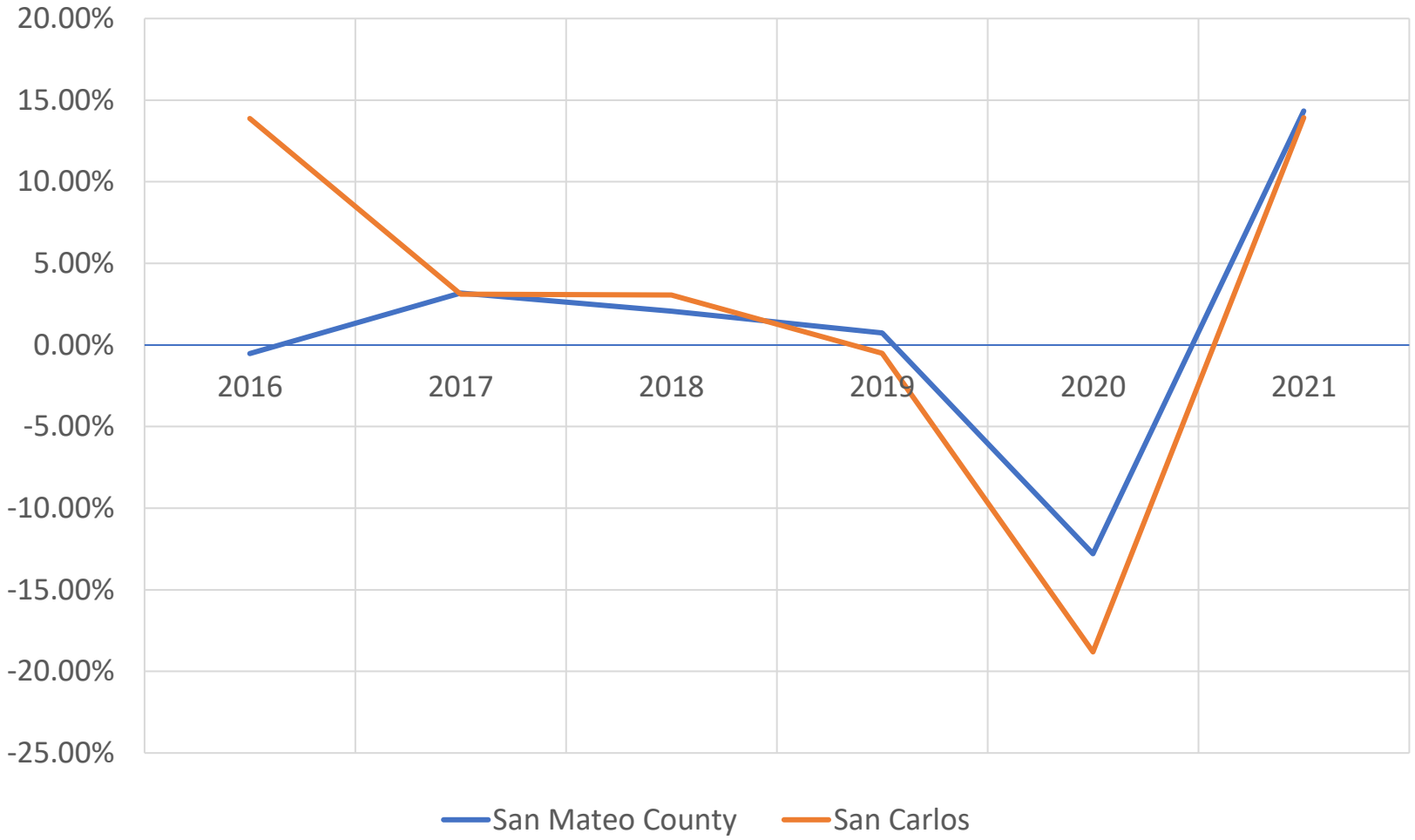
EXISTING CAPTURE RATES OF RESIDENT DEMAND

Retail Category	Existing Capture	Additional SF Supportable by Leakage
“GAFO” Categories	68%	320,000
Food and Beverage (Supermarkets)	45%	117,000
Food Service and Drinking (Restaurants)	105%	0
Hardware/Building Materials	374%	0
Motor Vehicle and Parts Dealers	43%	N/A
Gasoline Stations	72%	N/A
Total/Overall	92%	437,000

RETAIL TRADE AREAS EVALUATED

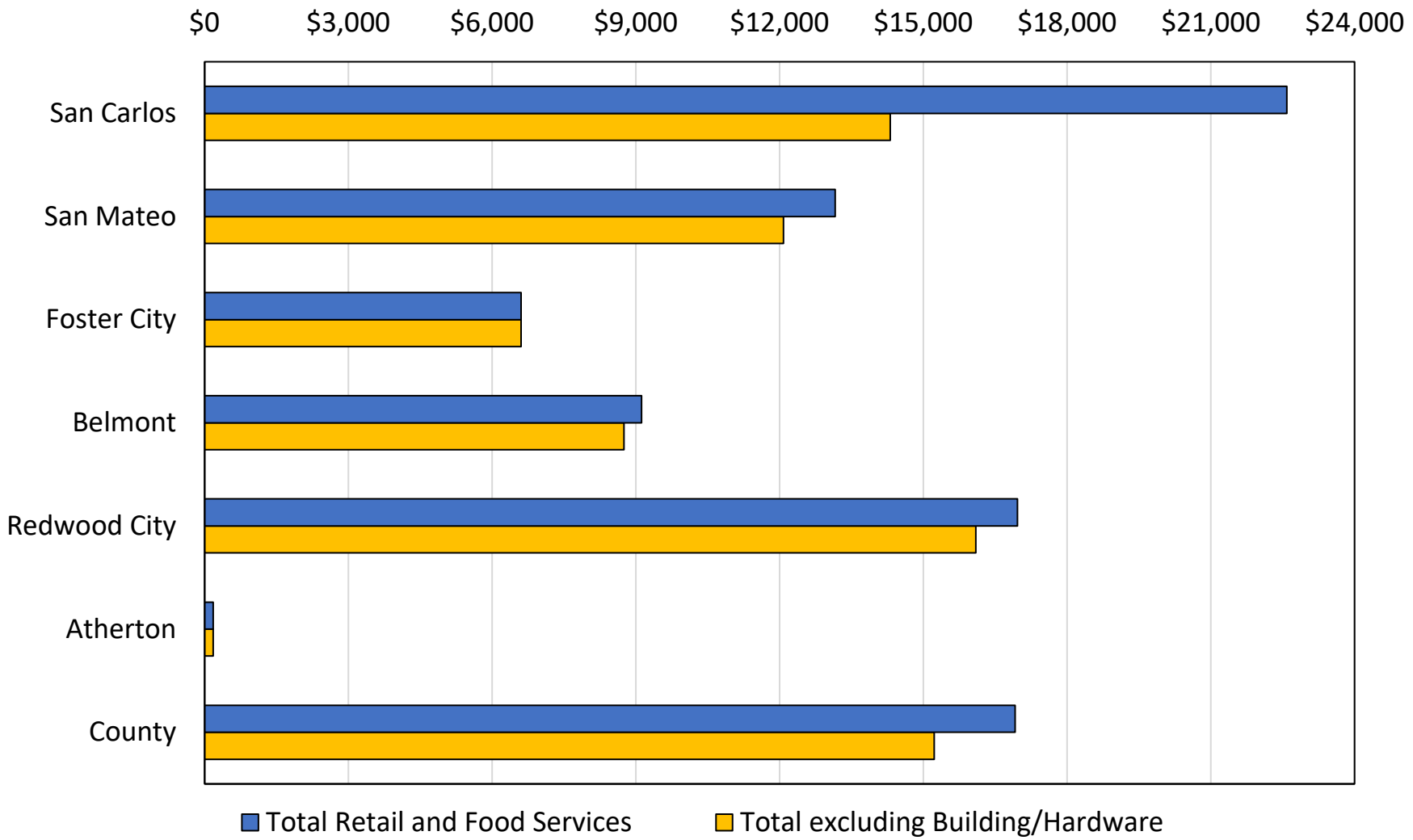


TAXABLE SALES TRENDS IN REAL DOLLARS (ANNUAL % CHANGE)



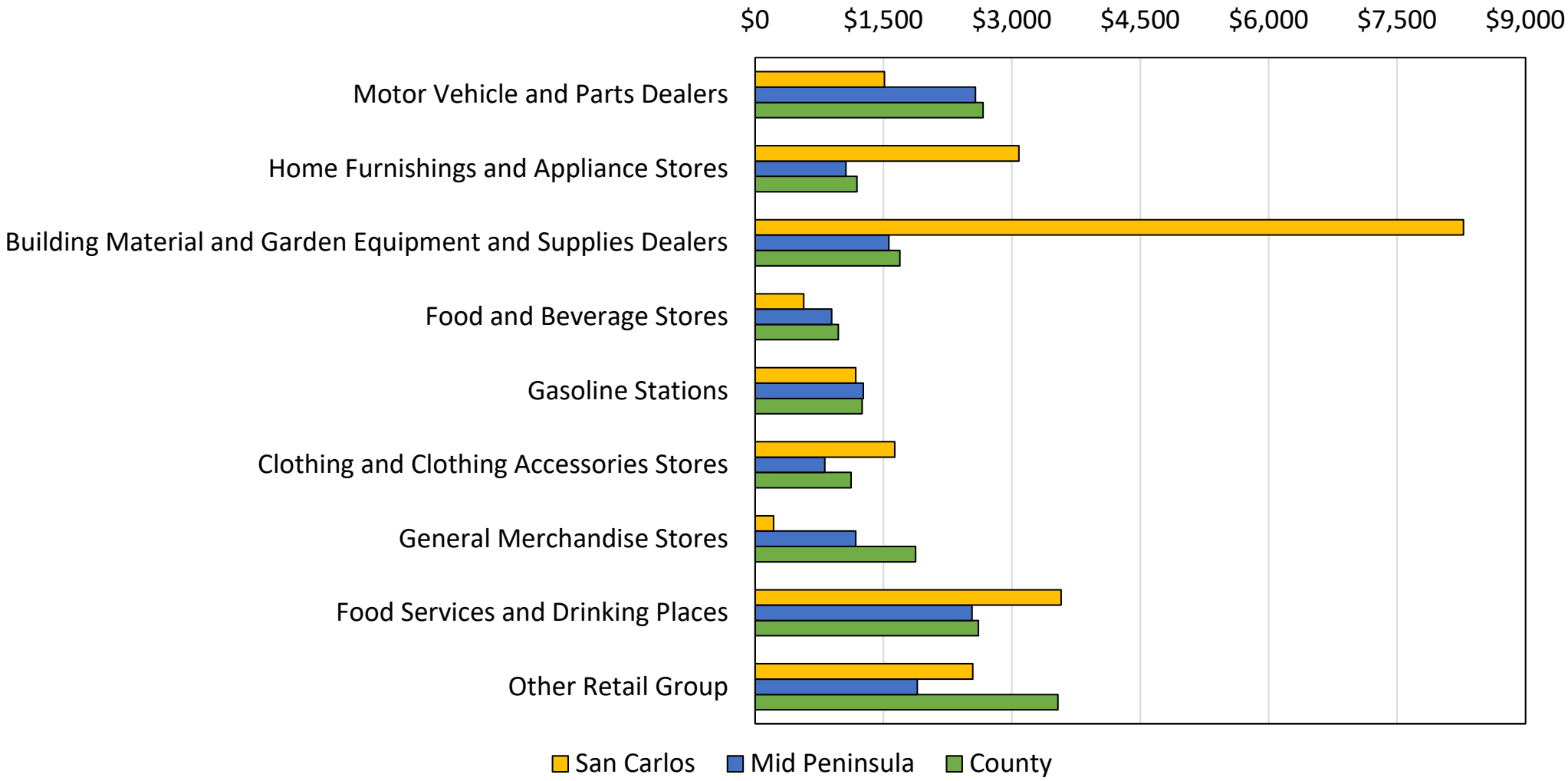
Source: California Department of Tax and Fee Administration; TNDG.

PER CAPITA TAXABLE SALES IN 2021



Source: California Department of Tax and Fee Administration; TNDG.

PER CAPITA TAXABLE SALES IN 2021



Source: California Department of Tax and Fee Administration; TNDG.