



CITY COUNCIL STAFF REPORT

MEETING DATE: August 25, 2025

ITEM TITLE: Receive a Presentation and Provide Direction on Outdoor Dining and Retail Display Area Standards, Formula Businesses, Personal Services, and Parking Maximums for Inclusion in the Downtown Specific Plan.

RECOMMENDATION:

Staff recommend that the City Council receive a presentation and provide direction on outdoor dining and retail display area standards, formula businesses, personal services, and parking maximums for inclusion in the Downtown Specific Plan.

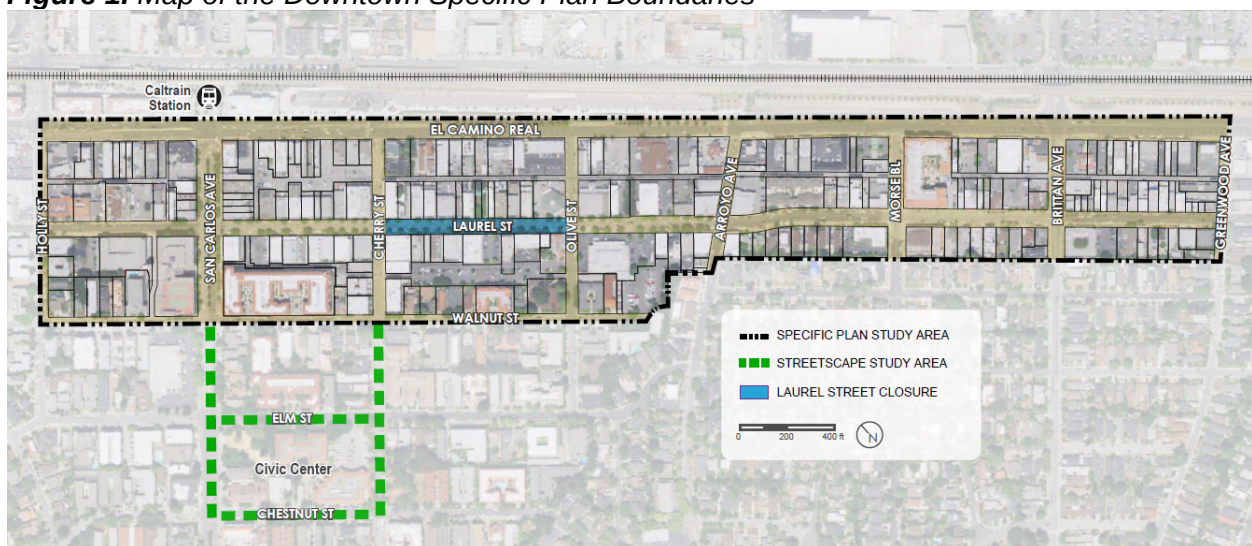
FISCAL IMPLICATIONS:

There are no fiscal impacts associated with providing direction on the Downtown Specific Plan project. Funding for the Downtown Planning Initiative (Project C2105) has been included in the Adopted Budget.

BACKGROUND:

The study area for the Downtown Specific Plan is comprised of approximately 67.5 acres and delineated as shown in Figure 1 below.

Figure 1. Map of the Downtown Specific Plan Boundaries



In service of presenting the Downtown Specific Plan's initial draft goals, policies, actions and development standards that will apply to the downtown area's 67.5-acres, staff held study sessions with the Planning and Transportation Commission (PTC) on June 16, 2025, and with the City Council on June 23, 2025.

During the City Council study session, the Council asked staff to conduct additional outreach to downtown business operators to discuss and get feedback on outdoor dining and retail display areas, and return with more information on:

- 1) Outdoor dining and retail display area standards for operation and design
- 2) Formula businesses
- 3) Personal services
- 4) Parking maximums

In addition, the Council requested more information about the Metropolitan Transportation Commission's (MTC) policy on Transit Oriented Communities (TOC) and how that influences eligibility criteria for the next round of One Bay Area Grant (OBAG) funding expected in 2026. A *White Paper on Parking Maximums* was provided to the Council on August 18, 2025.

Following the June 23, 2025 City Council study session, staff met with the City Council Downtown Subcommittee (Council Member Dugan and Vice Mayor Venkatesh) on August 6, 2025 (see Attachment 2), and with downtown business operators on August 7, 2025 (see Attachments 3 and 4).

Based on the Council's request that staff return with more information, the schedule to complete the Downtown Specific Plan has been slightly adjusted from September 2025 to November 2025. Following direction from the Council at tonight's study session, staff anticipates releasing the Public Draft Downtown Specific Plan in mid-September, with subsequent action by the Planning and Transportation Commission on October 20, 2025, and City Council consideration of adoption on November 10, 2025.

CITY COUNCIL COMMENTS FROM JUNE 23, 2025, STUDY SESSION:

City Council comments from the June 23, 2025, study session are organized into three themes, as detailed in Tables 1, 2, and 3 below.

Table 1. Land Use, Urban Design, and Prosperity & Economic Development

City Council Input	Staff Response
1. Concern about potential impacts of state density bonuses on building heights.	Staff acknowledge that it is not possible to precisely predict the waiver or concession a developer may request on a future project. Staff's strategy is to ensure buildings have sufficient height in place to avoid requests for additional height. More often, staff have seen developers request reduced parking requirements, adjustments to building setbacks and stepbacks, and modifications to open space/landscaping.
2. Preference to maintain third floor building stepbacks on the 600, 700, and 800 blocks of Laurel Street.	This will be reflected in the development standards within the Downtown Specific Plan.

City Council Input	Staff Response
3. Ensure that Harrington Park and the new plaza on the 600 block are zoned as “PK” or as “Park”.	This will be reflected in the Downtown Specific Plan’s land use and zoning maps.
4. Support upzoning the SamTrans building from MU-DC-100 to MU-D-120.	This will be reflected in the Downtown Specific Plan zoning map.
5. Provide additional data on the potential impacts of changes to the formula business ordinance and include a more detailed analysis of trade-offs for proposed revisions. Consider a future study session to explore loosening use restrictions and the implications of formula business regulations.	See discussion below on Formula Businesses for retail. Staff’s recommendation is to replace the current conditional use permit (CUP) requirement with a minor use permit (MUP). A more thorough analysis and additional research into removing the use permit requirement altogether would be a future implementation item of the Downtown Specific Plan.
6. Consider removing limitations on personal services, with some safeguards to prevent oversaturation.	Staff recommend removing limitations and replacing them with an MUP requirement.
7. Provide more detail on proposed outdoor dining standards; allow awnings for outdoor dining, provided they are not permanently bolted to the sidewalks; ensure no roofs over outdoor dining; consider flexibility in allowing barriers if desired for outdoor dining areas; requested more outreach to downtown business operators to discuss outdoor dining and retail display area standards; ensure outdoor retail display area standards maintain equity with standards for outdoor dining.	See discussion below on Outdoor Dining and Retail Display Area, with additional information in Attachment 3.

Table 2. Mobility, Transportation, Parking, and Transportation Demand Management (TDM)

City Council Input	Staff Response
1. Expressed hesitation with implementing parking maximums and asked for more information about the benefits and tradeoffs and implications for non-compliance with respect to future grant opportunities with the MTC.	See discussion below on Parking Maximums, with more detail in Attachment 5.
2. Ensure consistent parking enforcement.	This is a key strategy that is being recommended through the Citywide Transportation Demand Management and Parking Reform project.
3. Continue exploring more options for modified time restrictions and potentially, zoned parking such as in Palo Alto.	Key strategies are being explored through the Downtown Parking Plan and the Citywide Transportation Demand Management and Parking Reform project.

City Council Input	Staff Response
4. Ensure that the automobile, ride-share, and ADA user experiences are considered in the planning strategies for downtown.	This will be discussed and addressed in the Downtown Specific Plan.
5. Consider waiving employee parking permit fees at Wheeler Plaza Garage to gauge employee interest in parking there.	This is a strategy that is being recommended in the Downtown Parking Plan.
6. Conduct additional outreach with businesses to provide updates and promote Wheeler Plaza Garage parking for employees.	A meeting with downtown businesses was held on August 7, 2025. See Attachments 3 and 4.
7. Provide information on the MTC's TOC Policy and its requirements for OBAG funding and provide consequences of non-compliance; provide staff with a dollar amount of past funds received from MTC through the OBAG program.	Staff had a meeting with MTC staff on August 13, 2025, to discuss San Carlos' performance on compliance with MTC's TOC policy requirements for OBAG funding. See discussion below on MTC/TOC/OBAG FUNDS, with additional detail in Attachment 6.

Table 3. Public Realm, Public Art, Sustainability, Resiliency, and Infrastructure

City Council Input	Staff Response
1. Provide additional details for outdoor dining and retail display area standards.	See discussion below on Outdoor Dining and Retail Display Areas and in Attachment 3.
2. Allow businesses flexibility in using non-permanent barriers for outdoor dining.	Barriers will not be required but be allowed if a merchant desires, provided nothing is bolted or attached to the ground. Staff recommend planters but not fencing. Further details below.
3. Prevent electric vehicle charging cables from running through busy dining corridors; in general EV charging should not be in the busier areas of the core on Laurel Street.	Staff will develop policy in the Downtown Specific Plan to ensure no EV charging stations are in the high-demand blocks of 1100, 1200 San Carlos Avenue, and 600 and 800 blocks of Laurel Street.

PUBLIC OUTREACH:

City Council Downtown Subcommittee Meeting

City staff met with the City Council Downtown Subcommittee ("Subcommittee") on August 6, 2025.

Discussion items included:

- Next steps for Phase 1B implementation, specifically bringing back the design for the full span of the 700 block of Laurel Street for Council approval (i.e. design only, not the PS&E documents)
- Outdoor dining and retail display areas
- Parking maximums.
- Formula retail and personal service uses

The Subcommittee briefly discussed expectations for next steps for design approval of Phase 1B, 700 block of Laurel Street. While most of the design for the 700 block is complete, the centerpiece

of the fountain will be decided by a public art process led by the City's Parks and Recreation Department. As such, the design of the 700 block will return to the Council for its consideration of final approval (minus the fountain centerpiece) in the coming months.

Most of the discussion focused on outdoor dining and retail display area standards. Comments included:

- Seek ways to incorporate more outdoor dining on El Camino Real
- The back of outdoor dining chairs should not face the street
- Concerns about heater placements
- Ensure no permanent attachments to the ground or pavement surface areas
- Limit color choices for umbrellas to four and draw from the City's official color palette
- Ensure barriers are wide enough for stability and that there should be gaps in between barriers
- Ensure no subletting is allowed
- Investigate the potential for charging a fee for dining usage on the City's rights-of-way.

A brief discussion was held on parking maximums with the understanding that more discussion would occur at the August 25, 2025 City Council study session. The Subcommittee expressed that the City might be supportive of parking maximums in the future, but now seemed too soon considering the recent state law for no parking mandates under AB2097.

Finally, the Subcommittee liked the idea of having some control over formula business, but that the prohibition of formula businesses altogether may not be the best approach for San Carlos.

For more detailed notes from the meeting with the City Council Downtown Subcommittee see Attachment 2.

Business Meeting

Following the City Council's direction from June 23, 2025, staff held a Downtown Businesses Stakeholder meeting on August 7, 2025 to discuss outdoor dining and retail display areas. For outreach, City staff sent emails to the downtown business operators and followed up by going door-to-door to all businesses along Laurel Street within the Downtown Specific Plan area. The Downtown Business Stakeholder meeting was hosted by Stamp Bar and Grill with 14 representatives from the business community in attendance.

Attendees were generally supportive of the approach and proposed standards for outdoor dining and retail display areas. Related concerns include:

- Potential to increase the height of planter, from four feet to five or six feet
- What would the fee be for using City right of way for outdoor dining

- Grandfathering in existing outdoor dining

However, some favored maintaining the use of parklets and their associated roof coverings for protection.

Other concerns related to the timing and communication of streetscape construction and how much longer they would be able to have their display areas and dining parklets in place. Many comments were received about the current condition of the 700 block being closed and the need for activation and a better understanding of the City's plans to bring more vitality to the area, since construction of the 700 block of Laurel Street may take years to complete. Participants requested additional and ongoing activation opportunities similar to Harringtones, which will be sponsored by the Parks and Recreation Department throughout the month of September 2025, with live music at Harrington Park.

A full account of comments are provided in Attachment 3.

ANALYSIS:

Outdoor Dining and Retail Display Area Standards

At the meeting with the business operators on August 7, 2025 (see Attachment 3 for meeting notes and Attachment 4 for presentation), City staff from Public Works, Economic Development, Fire, and Planning were in attendance.

As noted previously, San Carlos' current standards regulating outdoor dining/retail are set forth in SCMC Sections 18.23.140 and 150. Staff's approach is to draw from these standards and then propose modifications.

Allowable Area

When construction of the new streetscape designs is completed:

1. Allow more space for outdoor dining and retail display areas:
 - a. 600 and 800 Blocks of Laurel: eight feet from building face
 - b. 700 Block of Laurel: nine feet from building face
 - c. San Carlos Avenue: eight feet from building face
 - d. El Camino Real: at least five feet from building face
 - e. All other areas: at least four feet minimum clearance for pedestrian zone
2. Within the Five Feet Tree Strip
 - a. Staff acknowledge the Council's request for more outdoor dining areas. Accordingly proposed regulations would codify the five feet tree strip as allowable area for outdoor dining and retail display areas and set standards in place.
 - b. For the new plaza in the 600 block of Laurel Street, no outdoor dining/retail display areas would be allowed adjacent to the building face, nor within the plaza's tree strip. The reason for this is because the design calls for a pedestrian walkway alongside

the building edge to align with the existing archway under the Wheeler Plaza development. In addition, the design calls for plenty of public seating.

Staff note that current standards allow outdoor dining/retail display areas within the approximate four to four and a half feet area measured to the brick line nearest the building face; for areas without the brick line, a four feet minimum clearance is required to ensure adequate space for pedestrians.

Proposed Standards for Outdoor Dining

Operation

- No amplified sound (no live music/entertainment – maintain this current standard)
- No outdoor cooking or open flames
- Portable heating devices subject to Fire approval, including standards for distance requirements from trees and flammable objects, and allowing for built-in heaters over trellises
- No bussing stations or trash storage
- Okay to leave furnishings overnight
- No subleasing to another business

Maintenance

- Business shall maintain area, adjoining street and gutter in neat, clean, orderly condition
- Dining activities shall not interfere with the pedestrian zone, parking, or traffic
- Furniture must be kept in good condition; umbrellas shall be kept secure in windy conditions and shall be fire-treated

Design

- No permanent attachments to the ground and no permanent shelters over outdoor eating areas
- Built-in overhead trellis, or projecting open lattice allowed
- Barriers are not required, but if desired they may include planter boxes (but no wrought iron fencing); encourage gaps between planter boxes and require that barrier elements be cohesive in color, size, and materials; no fake plants; barrier height to three feet with one additional foot for plants (max four ft. height); no ropes, metal crowd barriers, nor orange jersey barriers
- Improvements and furnishings shall be commercial-grade and made for outdoor use
- Umbrellas shall be of a solid color (using City official color palette and white); no advertising or signage
- Awnings can have patterns; no advertising or signage
- Outdoor seating shall not have its back to the pedestrian zone
- Specify ADA access and clear zone requirements

- Street facing awnings may include retractable windscreens, as long as they are transparent and only used in inclement weather
- Retractable curtains permitted perpendicular to building façade to block wind or create privacy from neighboring businesses
- No platforms or floor coverings allowed

Proposed Standards for Outdoor Retail Display Areas

Operation

- Display may only be in front of the business
- Merchandise displayed outdoors must be the same as sold inside store
- Allow appurtenances to remain overnight or stored inside the business
- Reference to accessibility requirements
- Nothing can be bolted or attached to the ground
- No subleasing
- No speakers, nor amplified music

Maintenance

- Business shall maintain area, adjoining street and gutter in neat, clean, orderly condition
- Retail activities shall not interfere with pedestrians, parking, or traffic
- Furniture must be kept in good condition

Design

- All display elements shall be made of commercial-grade materials and capable of withstanding weather
- Merchandise and displays shall be between two and six feet in height
- Displays and appurtenances shall be stable and secure in all wind and weather conditions
- No outdoor display figures
- Prohibit plastic card tables, cinderblocks, and cardboard as display elements
- Prohibit platforms or floor coverings
- Umbrellas shall be solid color canvas. Awnings can be patterned or solid. Follow City color palette, plus white. No generic advertising or signage is permitted.
- Remove this current standard: The display and sales area shall not exceed twenty-five percent of the width of the frontage of the associated business storefront.

Solid Colors for Umbrellas Using the City's Official Color Palette

Staff considered the current standard that requires umbrellas to have a solid color. Following

research on the City of Grass Valley's outdoor dining standards, which requires certain colors, staff explored this idea with the City Council Downtown Subcommittee. The subcommittee liked the idea of directing the use of certain colors and suggested using the first three colors below (Navy, Gold, Orange) and add White. No neon or dayglow colors would be allowed.

Figure 1. Official Color Palette of the City of San Carlos

Navy	
Gold	
Orange	
Coral	
Green	
Teal	
Sky	
Crimson	

Tree Strip Zone Standards

The opportunity to provide more outdoor dining space could be possible within the planned five feet tree strip zone. The intent is for this space to be assigned to restaurant use, not general seating, and the business owner would take full responsibility as it would for outdoor dining on the sidewalk. However, each business is not guaranteed a space, as other streetscape elements may limit equal opportunity.

Operations, Maintenance, and Design Standards:

- Tables and chairs set back two and a half feet from a curb face or bollard to allow passengers to enter and exit their vehicles (where parallel parking occurs).
- Five feet buffer between adjacent tree strip dining areas so pedestrians can access the sidewalk.
- Tables and chairs set back four feet from utility access panels, survey monuments, and manholes.
- Tables and chairs, setback three feet from fire hydrants or Fire Department connections
- ADA parking locations require three feet wide clear path for each door – affects placement of tables/chairs

- Establish maximum table size
- Tables and chairs in the tree strip zone to match tables and chairs in the dining zone
- Tables and chairs in from tree strip zone may be stored overnight
- No umbrellas
- No portable heaters
- No barriers
- No stringing electric lines or lighting between business and tree strip zone

Land Use Considerations – Formula Business and Personal Services Follow Up

Formula Business

During community outreach conducted in 2023 and 2024, staff received requests that land use rules should allow for more downtown shopping, daily services, and co-working cafés and lounges. In addition, there was mixed support for allowing popular brand or chain stores and businesses. While downtown dining options are appreciated, many feel there aren't enough affordable choices and that downtown should offer more than just dining. The community would like more things to do in downtown.

To ensure a vibrant downtown with a healthy mix of uses for current and future residents, employees, and visitors, a balanced strategy could be:

Maintain the Formula Business regulations as is, but with changes that would apply to retail only.

For Formula Business Retail:

- Remove the current \$9,963 CUP requirement and replace it with a \$4,981 MUP and work towards a concierge approach whereby the City could streamline approvals and expedite plan check.

While the downtown vacancy rate is currently low, staff learned that in the last quarter, one retail store (White Sage) closed, and another retail store (Society) is expected to close by the end of September. The custom cabinet store that was formerly located on the 600 block of Laurel Street has remained vacant since 2023 despite its prime location in the heart of downtown. City economic consultants have also shared information with staff about the changing economic landscape and consumer behavior for retail. More people are shopping online, and brick-and-mortar retail stores are struggling statewide. HDL (San Carlos' sales tax consultants) state that online shopping remains a popular option for value-conscious consumers and "uncertainty" remains the most accurate descriptor of California's current and future economic climate.

Economic consultants for the Downtown Specific Plan project state that formula business ordinances restrict the supply of retailers that might be interested in San Carlos. This might result in lower rents that could in turn have a negative impact on development economics, hampering the ability of owners to improve or redevelop their properties as the City desires. On the other hand, lower rents might be helpful to independent retailers. It could also result in extended vacancies as property owners hold out for the rental rates they believe are achievable. Research has shown that formula business ordinances create friction and this disincentivizes retailers who

can choose from among the many competing commercial districts along the Peninsula. It is impossible to determine which retailers may have excluded San Carlos from consideration due to the formula business ordinance.

Considering that the Downtown Specific Plan is a 20-year policy document, staff propose that the requirements for retail businesses under the Formula Business Ordinance be relaxed. This would be a small, but proactive step toward having a more streamlined process for retailers.

Should the Council prefer to wait on this item, staff can include an action item in the Downtown Specific Plan to bring this item forward in the future.

Personal Services

The City's definition of personal services reads:

“Provision of recurrently needed services of a personal nature. This classification includes barber shops and beauty salons, seamstresses, tailors, dry cleaning agents (excluding large-scale bulk cleaning plants), shoe repair shops, self-service laundries, video rental stores, photocopying and photo finishing services, and travel agencies mainly intended for the consumer.” This classification also includes massage therapy, tattoo, and piercing establishments.

In particular, the downtown core has strict limitations on personal services. These include:

1. Existing personal service uses shall not expand greater than twenty-five percent of their floor area as it existed on August 22, 1994.
2. New personal services may move into a location that was previously a personal services use, but only if:
 - a. That location has not been vacant for more than six months; and,
 - b. The new business type is the same as the previous business type, i.e., beauty salon for beauty salon, shoe repair for shoe repair, etc.
3. New personal services may move into a location that was previously retail, restaurant, personal services, or a space that was vacant for more than six months, but only if no other personal service use of any type exists within a three-hundred-foot radius of the proposed use.

Similar to the formula business discussion, to ensure downtown has a diverse mix of uses and offerings beyond restaurant dining, staff recommend relaxing these limitations. However, given the Council's concern about an oversupply of these types of uses, staff also recommend requiring an MUP for these uses.

Parking Maximums

The City Council expressed concerns about parking maximums when they were last presented to the City Council on June 23, 2025, in particular:

- The Council expressed hesitation with implementing parking maximums and asked for more information about the benefits and tradeoffs and implications for non-compliance with respect to future grant opportunities with the MTC.
- The Council asked staff to provide information on the MTC's TOC Policy, its requirements for OBAG funding, and the consequences of non-compliance.
- The Council asked staff to provide a dollar amount of past funds received from MTC through the OBAG program.

To support this discussion, staff and the consultant team prepared a *White Paper on Parking Maximums* (see Attachment 5) that defines parking maximums and describes their benefits and drawbacks as a Transportation Demand Management (TDM) tool. In addition, the paper also discusses how parking maximums can help the City become eligible for OBAG funds in 2026.

The current proposed maximums are provided in Table 2 below and would generally apply to developments within a half mile of major transit stops along the El Camino Real corridor. The approach has two options: a "Soft" (Tier 1) and "firm" (Tier 2) maximums. Tier 1 maximums would be available by right with Tier 2 maximums offered for added flexibility in exchange for the following:

1. Make at least 25 percent of on-site parking publicly accessible during business hours for non-residential uses or daytime hours (9 a.m. to 6 p.m.) for residential uses;
2. Provide supplemental TDM measures *in addition* to those required in the TDM ordinance; or,
3. Pay an in-lieu or off-set fee to the City to offset the impacts of building additional parking.

Table 2 – Proposed Vehicle Parking Maximums Near Transit

Land Use	Tier 1	Tier 2	District-Wide Maximums
Multi-Family Residential	0.7 spaces/bedroom	0.8 spaces/bedroom	1 space/unit*
Non-Residential	2.0 spaces/1,000 sf	2.5 spaces/1,000 sf	2.5 spaces/1,000 sf

Notes: All requirements represent parking maximums; sf = square feet; 1 space/unit is approximately equivalent to 0.6 space/bedroom; Previous hotel maximum eliminated per MTC confirmation that it is not required.

Based on the anticipated development from the Downtown Specific Plan buildout, there would be up to 2,568 new private vehicle parking spaces allowed to be constructed in the Downtown in a 20-year buildout timeline. This is in addition to the parking spaces available today.

The consultant reviewed past development applications and found that the amount of parking provided is similar to the standards that are being proposed in Table 1 above.

More specifically, 11 of the 14 residential projects approved between 2019 and 2024 included 0.8 spaces per bedroom or less, which would be allowed under the proposed "Tier 2" parking

maximum. The highest ratio of spaces provided was 0.9 spaces per bedroom, which is only slightly greater than the proposed maximum. Only one of 12 non-residential projects approved between 2019 and 2024 included more parking than the proposed non-residential “Tier 2” maximum of 2.5 spaces per 1,000 square feet; this project provided 2.51 spaces per 1,000 square feet.

This indicates that developers in San Carlos are already providing parking close to or under the proposed maximums, and the maximums would be less likely to drive away development.

The Alexandria project applicant recently agreed to a parking maximum of 2.0 spaces per 1,000 square feet which further supports that the market demand for parking is generally within the parking maximums.

The Downtown Specific Plan is a 20-year long term policy document. And as discussed in the attached *White Paper on Parking Maximums*, parking maximums help achieve many City goals and objectives. Accordingly, staff recommend adopting parking maximums in the Downtown Specific Plan, which can also position the City advantageously for development and future market rebound.

MTC/TOC/OBAG FUNDS

The MTC is one of the agencies responsible for implementing the Plan Bay Area 2050 vision for a more livable and sustainable region. Toward that end, MTC is aiming to increase density, reduce vehicle dependency, and encourage active and mass transportation in areas adjacent to transit stations. The MTC has designated areas within a half-mile radius of ferry terminals and BART, Caltrain, and SMART stations as “transit-oriented communities” (or TOCs). For more details see Attachment 6.

The area within a half-mile radius of the San Carlos Caltrain station is considered a TOC and will be subject to TOC land use, transportation, and affordable housing policies *if the City of San Carlos (City) wishes to secure a competitive advantage when applying for One Bay Area Grant (OBAG) transportation funding.*

To date, San Carlos has been awarded approximately \$3.5 million in OBAG funding. This includes approximately \$2.7 million for such transportation-related projects as pavement rehabilitation on Crestview Drive and pedestrian enhancements at the intersections of Arroyo and Cedar and Hemlock and Orange. More recently, San Carlos received \$300,000 via OBAG 3 to support the planning for the Downtown Streetscape Master Plan and \$500,000 to fund installation of electric vehicle chargers.

The MTC has circulated a draft scoring matrix that would assign TOC areas a total of 100 points:

- 85 points and above would be deemed in “substantial compliance” with TOC policy and would have access to a “special set-aside” of OBAG 4 funds.
- 40-84 points would be deemed “partially compliant” with TOC policy and would receive a “preference” for OBAG 4 funding.
- 39 points or fewer would not be compliant and would receive no OBAG 4 funding preference.

Staff estimate that San Carlos is currently eligible for 60 points—with up to 4 additional points for affordable housing policies and up to 15 additional points (for a total of 79) if maximum parking standards are adopted.

Because San Carlos is currently exploring changes to strengthen its TDM Ordinance and set more tools in place to manage parking, implementing parking maximums would not only prevent undue oversupply of private parking spaces but also align with regional policy and allow San Carlos to be more competitive for funds that could help the City achieve implementation of the Downtown Streetscape Master Plan and other pedestrian safety enhancements and transportation related projects.

Over the past year, San Carlos has attended regular meetings with MTC staff, including submittal of data and other documentation to begin developing its overall score. MTC staff have stated that San Carlos is a model city, and that San Carlos has made significant strides to position itself for future OBAG funding. Although staff asked MTC about the amount of funding available, and provided feedback on MTC's draft scoring methodology, these questions remain unknown at this time and staff expect to learn more from the MTC in late October. Despite the unknowns, staff will continue work to develop the highest score possible for San Carlos in its role to seek and secure funding for the City of San Carlos.

NEXT STEPS:

Following the City Council study session and direction received from the Council on August 25, 2025, City staff and the consultant team will update the Downtown Specific Plan and aim for a release in mid-September 2025. Adoption hearings would then be scheduled with the Planning and Transportation Commission and City Council on October 20, 2025, and November 10, 2025, respectively.

ALTERNATIVES:

1. Provide input to staff and consultants on the Downtown Specific Plan project, or
2. Do not provide input to staff and consultants on the Downtown Specific Plan project, or
3. Provide alternative approach.

Respectfully submitted by:

Al Savay, Community Development Director

Approved for submission by:



Nil Blackburn, Acting City Manager

ATTACHMENT(S):

1. City Council Study Session Meeting Notes of June 23, 2025

2. City Council Downtown Subcommittee Meeting Notes of August 6, 2025
3. Downtown Business Operators August 7, 2025 Meeting Notes
4. Downtown Business Operators August 7, 2025 Presentation
5. White Paper on Parking Maximums
6. Summary of MTC's TOC Policy and Eligibility Requirements for OBAG Funding
7. City Council Study Session of June 23, 2025 – Staff Report and Attachments