



Association of Bay Area Governments



Technical Assistance
for Local Planning

HOUSING

Regional Housing
Technical Assistance:

Mixed-Use Development: When Ground-Floor Retail Works - and When It Doesn't

March 11, 2026

Mixed-Use Development: When Ground-Floor Retail Works – and When It Doesn't

MTC Webinar

URBAN FIELD



Presented By | Christine Firstenberg

Date | March 11th, 2026

P | 925.381.8666

E | Christine@cfirstenberg.com



Panelists



Christine Firstenberg
President
Retail Real Estate Resources
Metrovation Retail Resources



Nanci Klein
Former Director of Real Estate
Office of Economic
Development
City of San Jose



Ryan Call
Partner
Urban Field Studio

Purpose of Today's Webinar

To educate the audience on planning for mixed-use projects with ground-floor retail spaces that are strategically designed and built to lease successfully, add vibrancy, and maintain sustained occupancy, thereby creating community.



Lawrence Station by SummerHill – Santa Clara

The Basics

- What is mixed use retail?
- Who builds it?
- What does it need to succeed
- Where should it go?

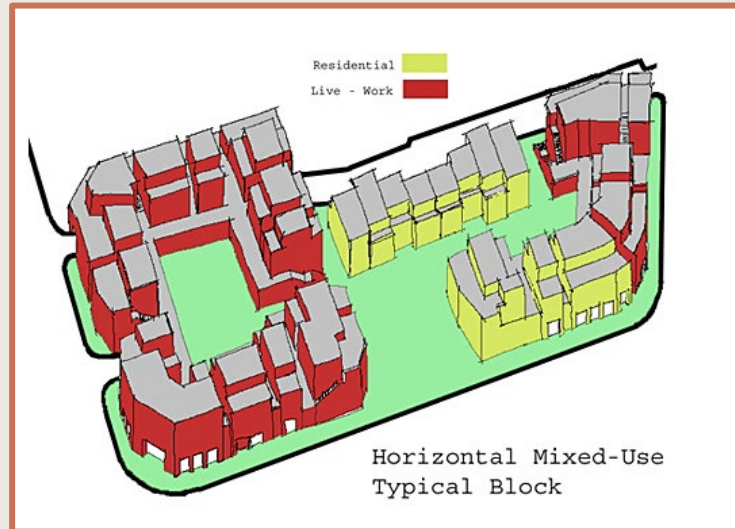


843 Castro St – Mountain View

What is Mixed-Use?



Long history, not new but how we accommodate it is.



It can be horizontal and built neighboring each other.



Typically, and for our purpose, it is residential over retail.

General Retail Trends

We don't shop the way we did 20 years ago

Retail has become EXPERIENTIAL

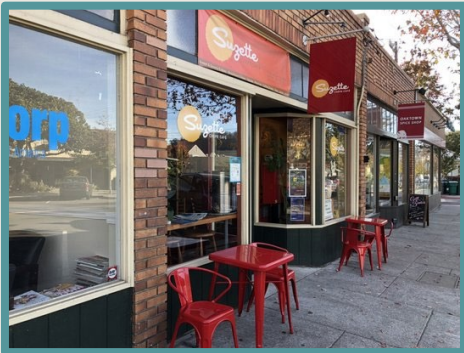
- You must walk into a store to experience..... Restaurants, salons, bowling, pickleball, fitness, and recreation (adult and children's)

Regardless of the shopping changes, and whatever the use, retail tenants still have some basic criteria that must be met in mixed use buildings for business success.



Understanding Retail Verbiage - for the purpose of this webinar

Typical Commercial Tenant Types By Size



**Small: 0 – 3,000 sf-
Shop Tenant**

- cafes, retail, small restaurants



**Medium: 8,000 – 15,000 sf.
Shop and small anchor**

- Pet Food Express, Trader Joes



**Large: 15,000 – 50,000 sf
anchor**

- Grocery Store, Office Max, Ross



**Extra Large: 50,000 –
150,000 sf- Anchor**

- Target, Costco, Home Depot

Who Builds Mixed-Use – and Why It Gets Built the Way It Does



2628 Shattuck Ave – The Aquatic – Berkeley

- Mixed-Use is typically driven by **residential developers**- most do not have retail experience.
- **Housing units determine project feasibility and valuation.**
- **Retail** doesn't make money for the developer and often costs more money to build.

Fact of Fiction? Developers build ground floor retail spaces with no expectation of rental revenue reflected in their proformas.

Retail Gets “Residual Space”

- Retail is frequently shaped by leftover ground-floor configurations.
- **Column spacing** driven by residential stacking-often in retailers' way.
- Ceiling heights, venting, loading and utility infrastructure are minimized.
- These are **design compromises** that affect leasing potential.



Vertical Mixed-Use: Structural/Economic Challenges with Anchors



- **Loss of residential efficiency** when accommodating anchor tenants.
- **Reduced unit count** due to larger ground floor floorplates.
- **Structural complexities** (where to put things).
- **Increased construction costs** and lower project returns.

Why Developers Avoid Anchor Retail in Vertical Projects

- Reduced Residential Yield
- Financing Complexity
- Perceived Leasing Risk
- Longer Absorption Timelines

Where Mixed-Use Belongs – and Where It May Not

- Retail Nodes in Transit-rich corridors.
- Established retail districts.
- Avoid over-zoning for retail.

Retail has to draw from a large radius, not just the housing in any one mixed use project.



Where Mixed-Use Belongs – and Where It May Not

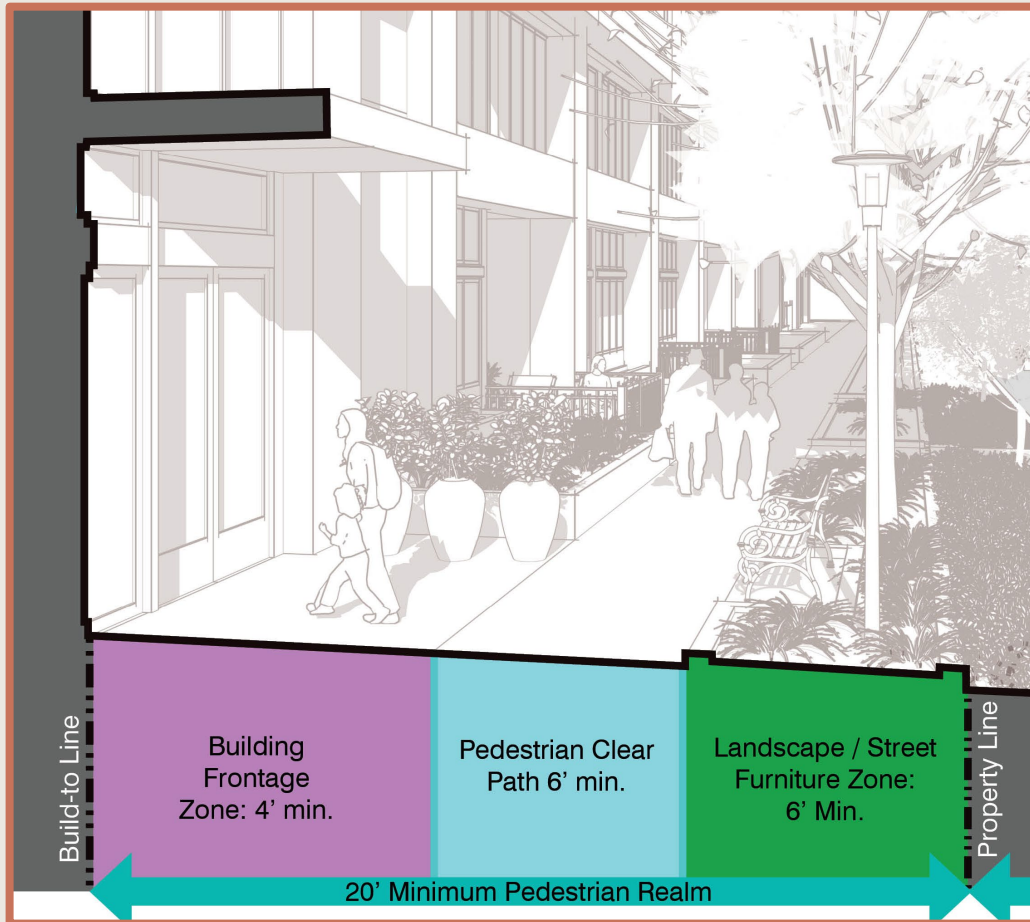
- Retail must be located strategically where it has the greatest likelihood of survival.
- Consider designating critical retail district **nodes**.
- Are there **incentives** for creating mixed –use?
- Areas outside of these districts will need to pay close attention to the design of non-retail frontage to support a safe and active streetscape.



Santana Row – San Jose

Activating the pedestrian experience through Design-Not Retail

How to Activate the Ground Floor without Retail



Draft Capitola Mall Objective Design Standards –
Ben Noble Planning / Urban Field Studio



Scotts Valley Town Center –
Good City Company / Urban Field Studio

How to Activate the Ground Floor without Retail

Typical Unit Layouts

Typical Ground Floor Unit Layout

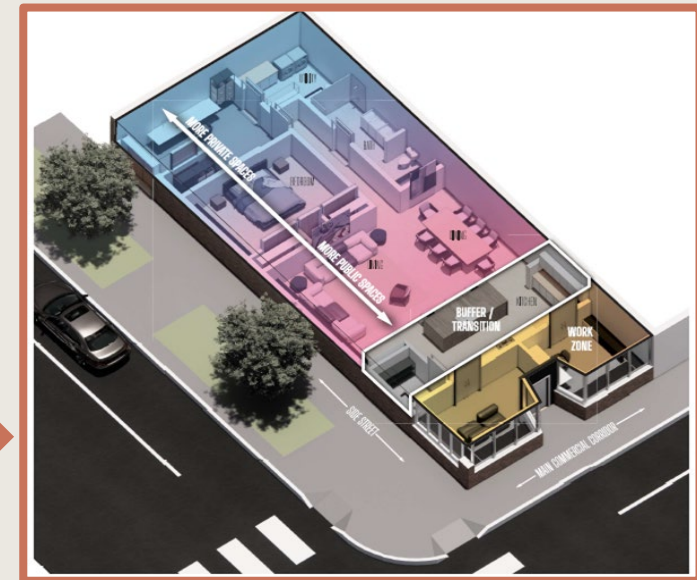
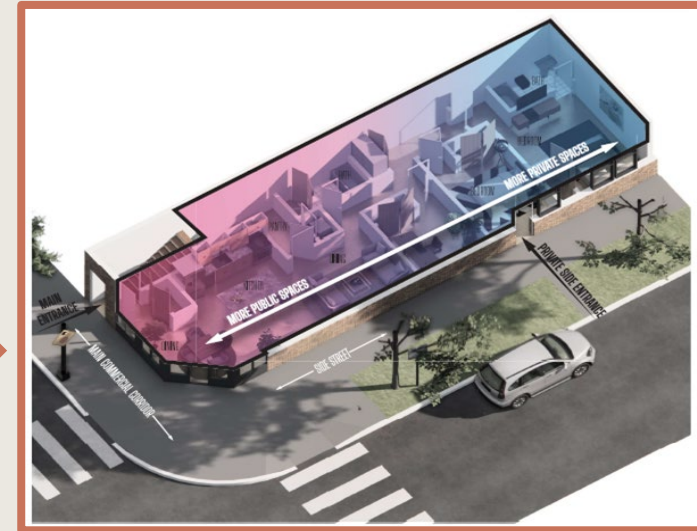
Ground floor residential units on commercial corridors are often designed with an “open plan” to maximize the amount of natural light and ventilation for the unit. When floor plans are deep or have limited windows, partial walls can be used to provide room division and privacy while still allowing light from above.

Less private areas are typically located closer to the street while more private areas are typically located further from the street activity and more out of view.

Typical Ground Floor Live/Work Layout

Live/work units use many of the same general layout strategies as typical ground floor units. However, live/work units also include work and display space for a business along the street frontage with more private residential spaces located behind.

To the right is a diagram of a typical Ground Floor Live/Work Unit layout. See Chicago Zoning Code Section 17-9-0103 for live/work unit requirements.



How to Activate the Ground Floor without Retail

Mitigating Blank Walls

IMPLEMENT ACTIVE DESIGN, DESIGN EQUITABLE PLACES, AND SUPPORT CONNECTIVITY

Mitigate long blank walls along primary streets and public open spaces by using design strategies to create interesting facades.

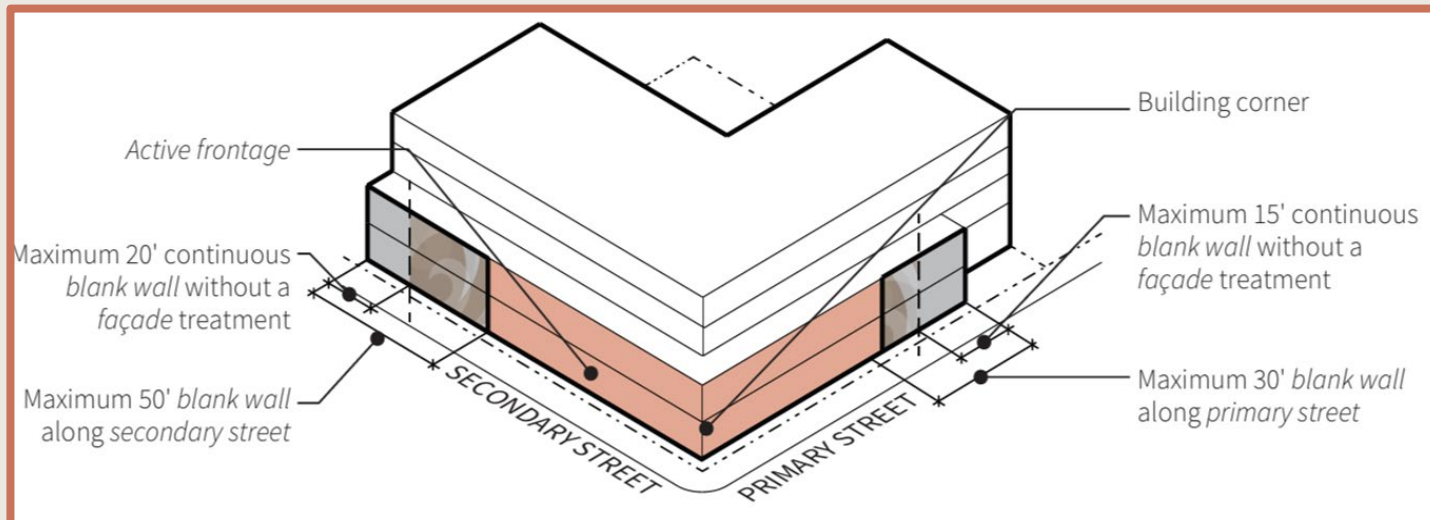


Fig. 4.12 Blank facades at the pedestrian level must be less than 30 feet along primary street and 50 feet along secondary streets



Fig. 4.11 Examples of techniques to mitigate blank walls – green walls, planted setback, public art, material changes, and lighting

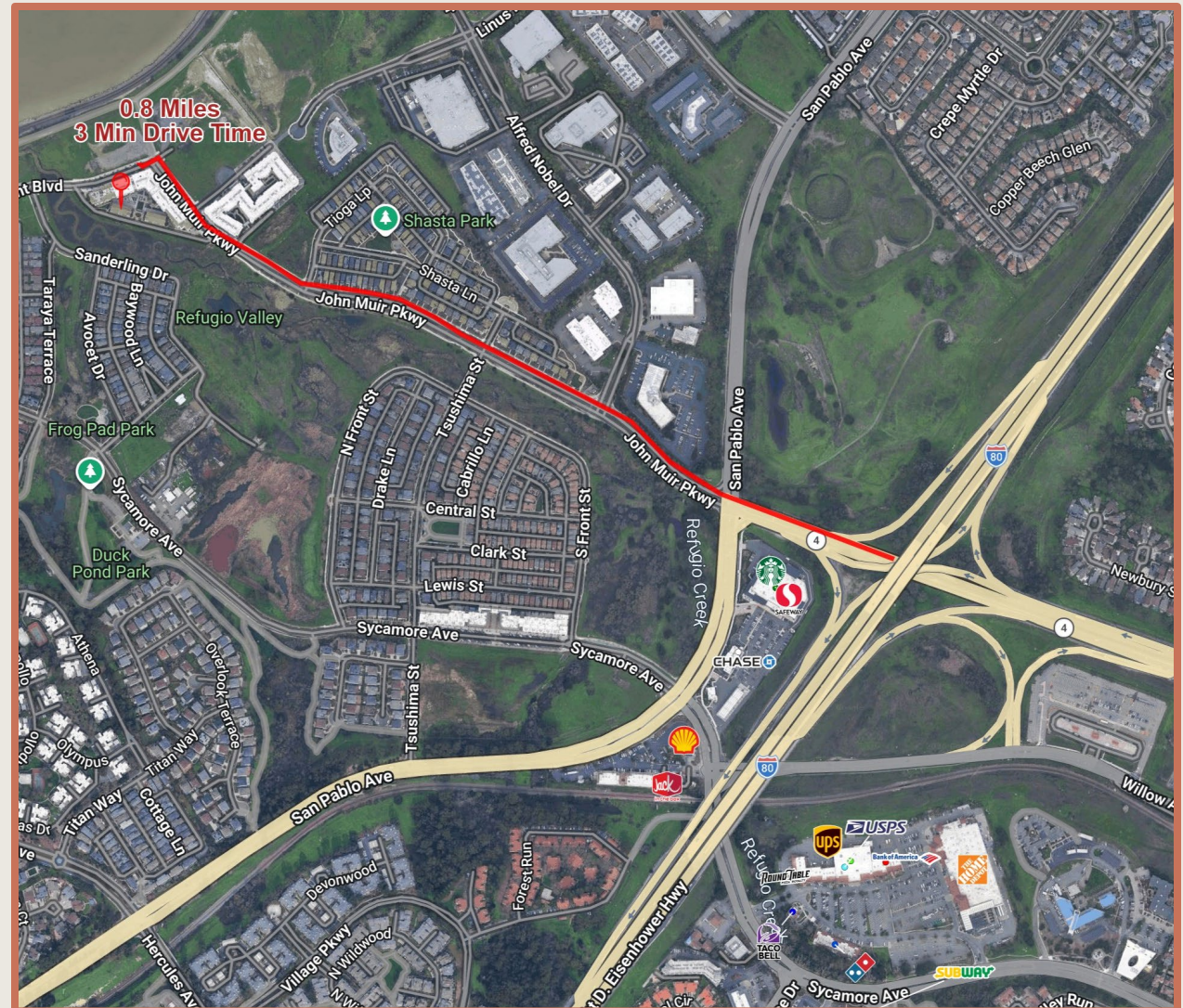
Case Studies:

When Mixed Use Does Not Work

The Exchange – Hercules Bayfront



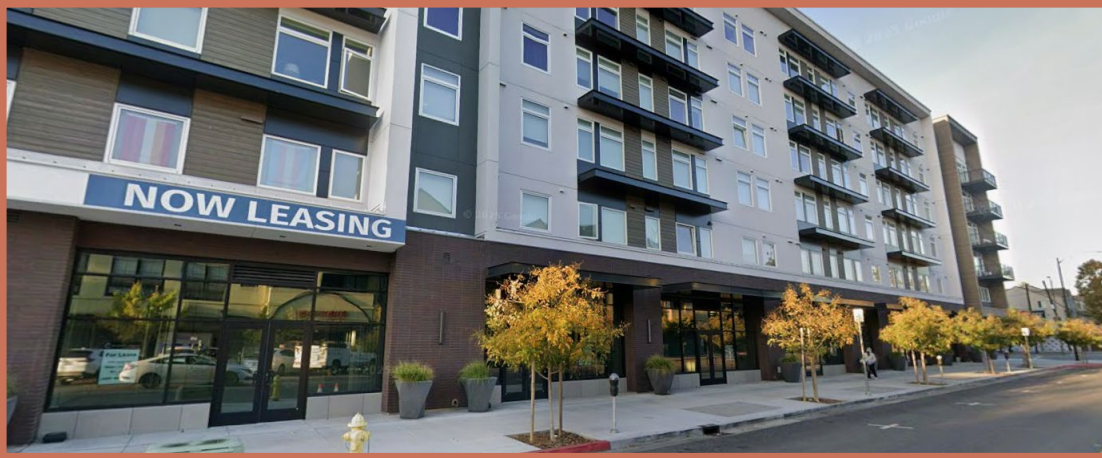
The Exchange – Hercules



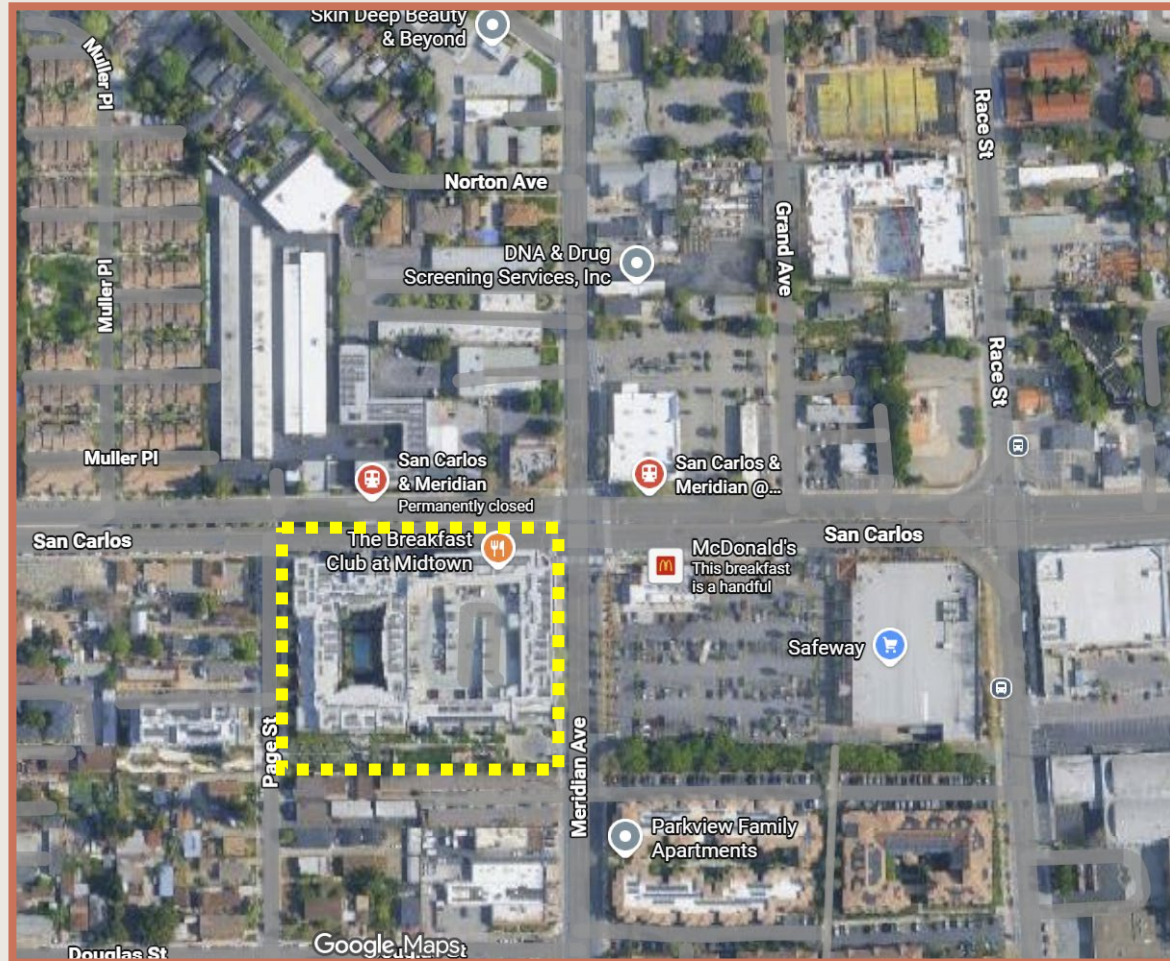
Japantown Project – San Jose



Japantown – Sixth & Jackson – San Jose



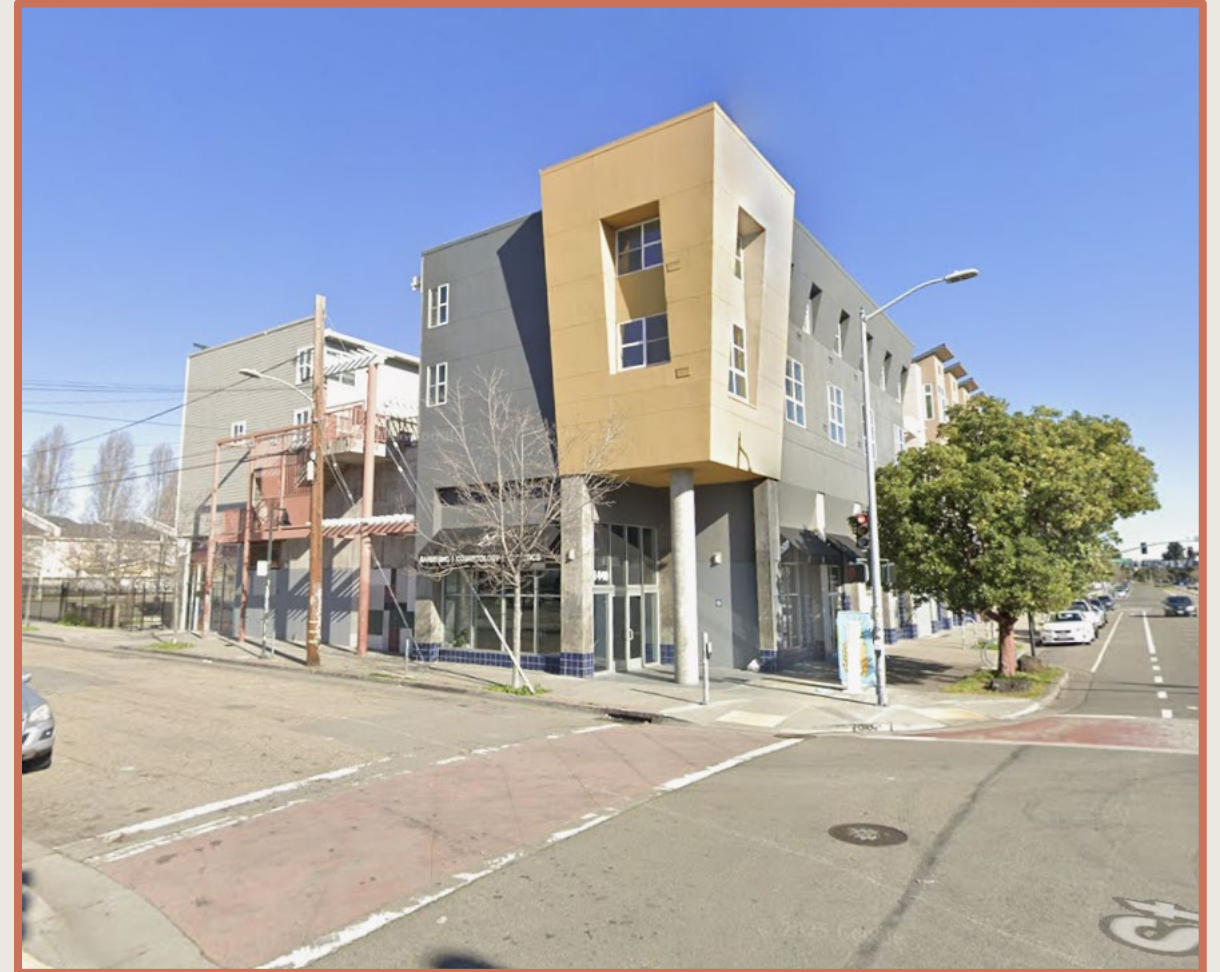
San Carlos & Meridian Ave – San Jose



1432 W San Carlos St, San Jose, CA 95126

What Happens When Ground-Floor Retail Does Not Lease?

- Visual blight and perception
- Public safety implications
- Fiscal impacts (sales tax, vibrancy, business turnover)
- Impact on neighboring areas



1440 7th St - Oakland

Strategies



Broadway Plaza – Walnut Creek

- What cities can do
- Zoning
- Building Standards
- Storefront/Design

How Cities Can be Proactive with Mixed Use Development

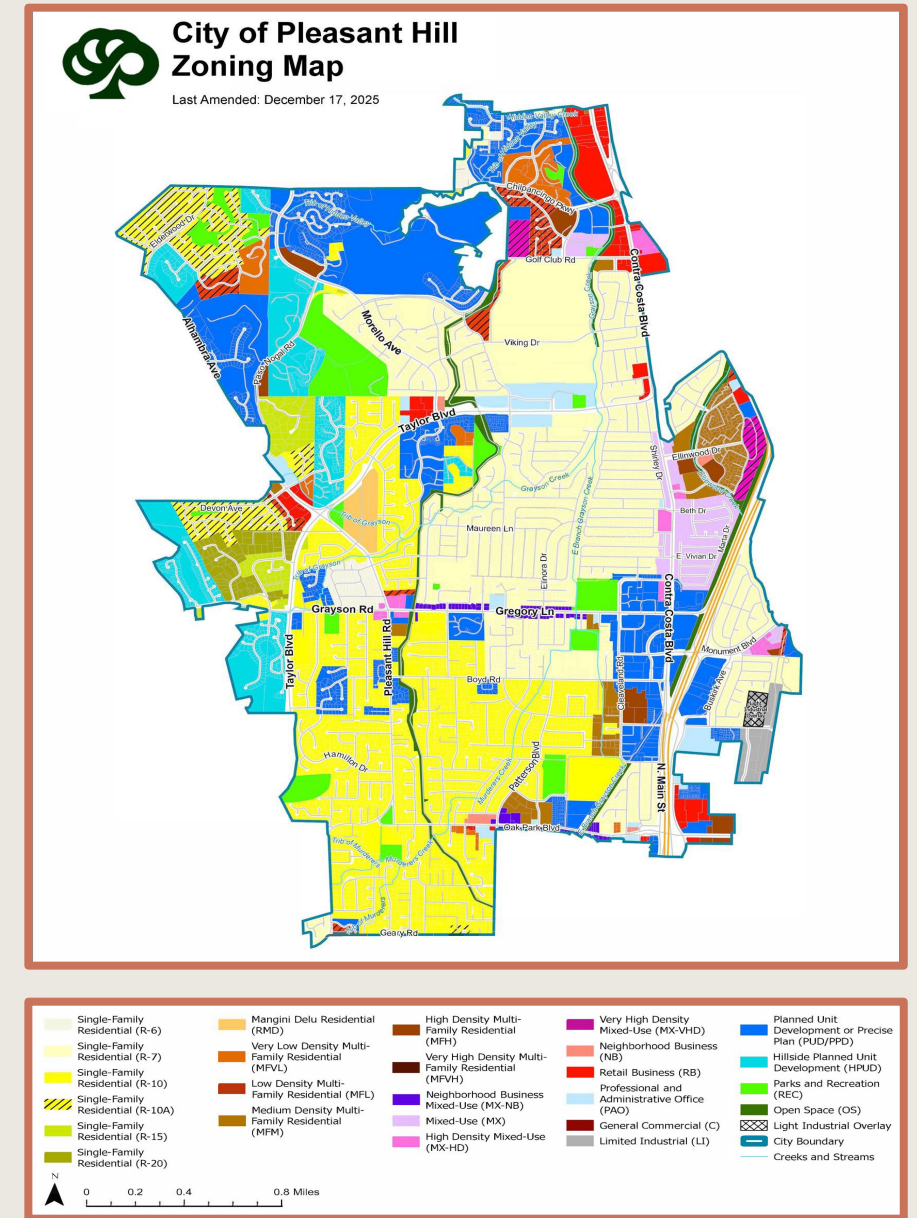
- Align zoning to make it faster and easier for retailers to get open.
- Requiring retail only where market depth exists.
- Balance aspiration with reality-no perfection
- Using retail location criteria suggestions for calibrating minimum frontage and depth of retail.
- Allowing flexibility in use categories.
- Evaluate alternative active ground-floor uses if necessary.



The Grant – Concord

Zoning

- In the past, city planners might have required CUP's because of City Council complaints.
- With a CUP requirement it often takes 12-14 months from lease signing to get a retail tenant open in a retail space.
- But the Zoning pendulum has swung, and many cities understand long and confusing zoning processes affect economic development.
- Many cities in Northern California are cleaning up their zoning codes.



Mixed-Use Development Retail Design Guidelines

#1 - Strategic Retail Placement

- Retail should be concentrated primarily at the intersections (nodes) of major thoroughfares, where visibility, access, and traffic volumes are strongest.
- Over-programming retail in secondary, mid-block locations causes space to lease up poorly, if at all.

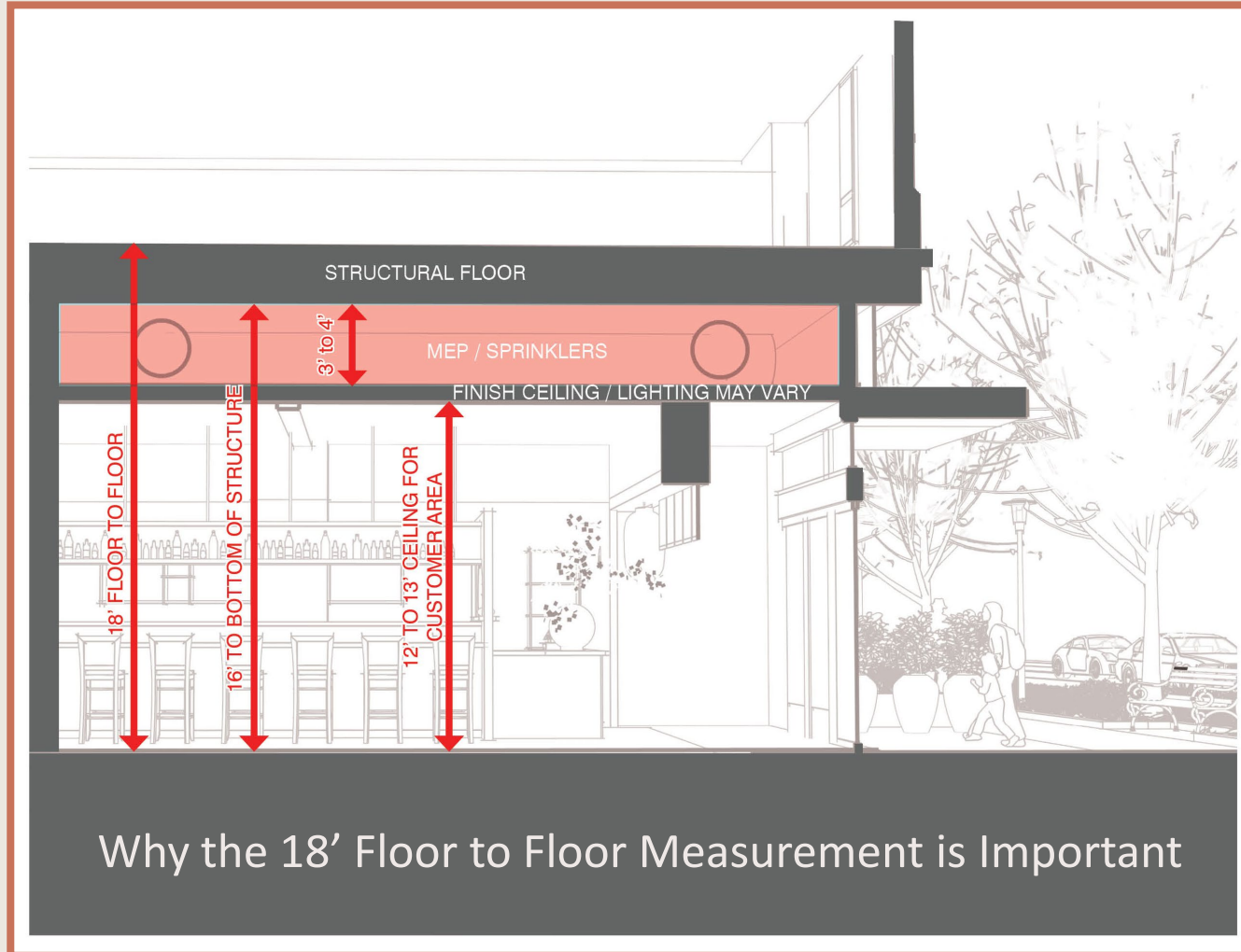


Mixed-Use Development Retail Design Guidelines

- # 2 - Minimum Retail Depth Standards
 - 50' minimum depth
 - 16.5' minimum storefront width
- # 3 - Minimum Clear Height Requirements
 - 12'-14' minimum clear ceiling height
- # 4 - Venting and Grease Trap Infrastructure
 - Access to code-compliant grease traps
- # 5 - Structural Column Spacing
 - Spaced at least 30' apart in all directions
- # 6 - Proper Loading and Service Access
 - Dedicated loading and service access
 - Efficient back-of-house circulation
- # 7 - Mandatory Venting Chases for Restaurants
 - Vertical venting chases integrated into the building design
- # 8 - Trash Enclosures-
 - Paid for by the developer
- # 9 - Proper Utility Capacity
 - Utility capacity at 400 amps electrical, 1.5" water, gas
- # 10 - Developer Delivery Condition-White Box
- # 11 - Parking & Access
 - 2.5 parking spaces per 1,000 sf of retail
 - Parking located adjacent to storefronts with convenient pedestrian access
- # 12 - Outdoor Seating-
 - if possible



Mixed-Use Development Retail Design Guidelines



Mixed-Use Retail Design-Commercial Activation

City of Concord, California



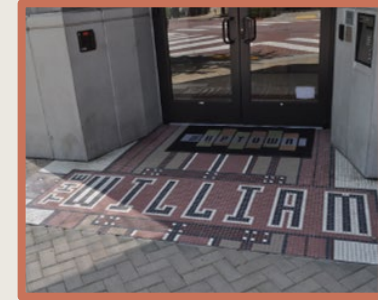
Example of a renovation in the downtown.



Example of ground floor base materials on a historic façade.



Sheltered areas for seating with shade respite.



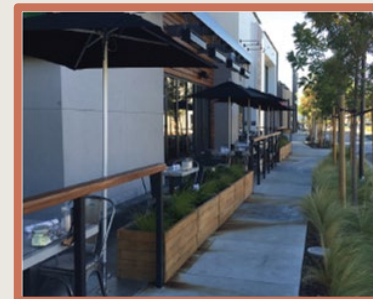
Tile details at the entrance provide craftsmanship.



Well detailed piers, lights and fence.



Outdoor seating is enlivened by thematic site furnishings.



Linear landscaping makes outdoor area special.



Good entrance detail make for a rich invitation

Mixed-Use Retail Design-Commercial Activation

Dress it up!



Key Take Aways

1. Not all mixed-use is appropriate everywhere.
2. Retail spaces must be designed intentionally, not residually .
3. Developers need to deliver the spaces in what is known as a “Vanilla Box”.
4. Retail does not survive on potential of an area- waiting 5 years for an area to grow will kill a retail business
5. Cities should prioritize flexibility over mandates.
6. Long-term vibrancy depends on market realism.

Questions?

 Association of Bay Area Governments



Technical Assistance
for Local Planning
HOUSING



RETAIL
REAL ESTATE
RESOURCES

Presented By | Christine Firstenberg

Date | March 11th, 2026

P | 925.381.8666

E | Christine@cfirstenberg.com