I. Project Overview

The City of Walnut Creek Economic Development Division is seeking a consultant to provide a strategy to address citywide retail conditions. This retail strategy will be used to guide real estate development, land use guidelines and recommendations, business attraction and retention, and guide development of the appropriate retail mix in accordance with the city of Walnut Creek and the East Bay region.

The retail strategy will need to be driven by conditions prior to COVID-19, current scenarios, and anticipated changes post-COVID. Factors in development of the strategy will include demographics of the Walnut Creek community, psychographic profiles of shoppers in the downtown, the position of downtown Walnut Creek as a regional shopping destination, supply and demand based on brick and mortar locations, and omnichannel concepts that integrate the multiple platforms, channels, and opportunities through which a shopper can make purchases.

II. Background

Walnut Creek is a regional retail hub in central Contra Costa County, particularly strong in high-end general merchandise. The retail sector represents an important contributor to the quality of life in the community by providing an array of goods and services for locals and visitors. Walnut Creek has long served as a regional retail provider for Contra Costa County residents.

While Walnut Creek makes up 6.2% of Contra Costa County’s total population, the city typically has made up 12.8% of the total taxable sales in the county. Traditionally, about 86% of the taxable sales generated by the city’s businesses came from retail stores and restaurants, with the remainder coming from non-retail businesses that primarily serve as suppliers in B2B markets.

Currently, sales tax is down due to current conditions. Some have expressed that there is a potential over-supply of retail in the market, and there is worry that the increase in planned future will retail may not be sustainable. This concern is exacerbated by COVID-19, which has resulted in a significant, but not as dramatic decrease in retail sales as anticipated. While there has been an increase in retail vacancies, there has also been surprising positive movement in the market as well. Retail vacancies are currently at around 11% - its highest ever recorded (Walnut Creek Downtown Retail Market Overview report, Q32020, John Cumbelich & Assoc.)

Walnut Creek includes a mix of all retail product types. Neighborhood retail centers and strip centers are scattered throughout the community, but larger centers are clustered in several key zones. The Downtown is unique in that it includes a traditional Downtown with an upscale regional mall owned by Macerich, physically incorporated into the core. A large regional medical center sits on the southern end of Downtown, and a healthy automotive and office district caps the north. The regional rail service (BART) comes in to the northern end of Downtown and a free circulator helps flow people throughout
Downtown. Significant residential development has occurred in the last 10 years bringing with it more in the entitlement process. Even more residential is envisioned in the various Specific Plans that overlay the Downtown. North Main Street has an eclectic mix of antique shops, paint stores and other unique retailers in standalone buildings.

III. Project Scope

Development of a comprehensive retail strategy to address previous, current, and anticipated retail conditions in Walnut Creek. This strategy will be used to direct real estate development activity and advise city leadership on the best course of action for improvement of the Downtown and shopping areas citywide.

The strategy should appropriately identify and establish characteristics of the consumers of Walnut Creek’s retail market – both locals and visitors. With approximately 8 million square feet of office, three major medical centers, and 85% of the workforce commuting into Walnut Creek, the city’s daytime population expands and increases the consumer base of downtown establishments. Walnut Creek is also home to seven national brand and privately owned hotels and one planned. Accordingly, the outlined strategy will direct and guide brokers, developers, tenant representatives, and retailers looking to locate or expand in Walnut Creek, targeting the daytime workforce, business and leisure travelers, and the residential population.

Project proposals should include a detailed outline of the approach to development of the strategy, including plan for working with stakeholders, anticipated number of meetings or convenings, and any other critical elements involving city staff.

Partnerships & Stakeholders

The Economic Development Division works closely with a number of partners and stakeholders critical to the City’s success and development. The retail strategy consultant, the work of developing the strategy, and the final deliverable will need to reflect engagement, discussions, outreach and input from the various partners to development. These include:

- City departments – Community Development Department; Arts & Recreation
- Walnut Creek Downtown
- Walnut Creek Chamber of Commerce & CVB
- Diablo Regional Arts Association
- Owners of large retail centers

Strategy Elements

- Characterization of the consumer market of Walnut Creek, broken into meaningful submarkets, including findings from demographic and psychographic data, interviews, and surveys.
Analysis of current conditions, with considerations given to pre-pandemic conditions and current scenario resulting from COVID-19.

Land use policy analysis and direction, with special consideration of potential district/zone designations in the Downtown and direction on potential changes to land use policy accounting for current supply and demand trends.

Retail retention policy and/or program direction.

Retail attraction strategies, including consideration of incentives packages and programs.
  o Similarly, retail attraction should include suggestions on retailers the city should target for attraction, as well as strategies and direction on fostering the appropriate retail mix.
  o Future-forward concepts, including retail start-ups and approaches to VC investment, storefront concepts for online brands, online brands with site location and point-of-sale in Walnut Creek, temporary pop-ups, etc.

Omnichannel strategy development considerations for helping retailers with multiple distribution and sales channels.

Marketing plan or approaches for retail attraction.

Final Deliverable

The final deliverable will include a report outlining the strategic direction for development of the retail strategy for Walnut Creek, findings from any research and/or surveys conducted, and an implementation plan and recommended timelines for deployment of the strategy.

IV. Consultant Requirements

The retail strategy consultant needs to have the broad qualifications of knowledge of and experience in the retail industry, as well as in land use designations and land use policy.

  • Retail industry: Extensive knowledge of retail market, trends, brands, and tenant representation.
  • Land use policy: Knowledge of and experience in zoning guidelines, including work with specific plans and overlay districts.
  • Data gathering: Data gathering techniques will need to be deployed and may include formats such as focus groups, surveys in-person or otherwise distributed, use of statistical data sources and reports to inform and provide insight into the consumer base of Walnut Creek.
  • Partnership engagement: Demonstrated experience in working with key stakeholders and partners to the downtown development community.
  • Downtowns: Demonstrated experience in working with downtown communities.
  • Marketing: Knowledge of suitable marketing strategies and techniques.
  • Funding: Knowledge of potential funding sources including grants is helpful but not required.
V. Application Process

Submit a response detailing the applicant’s approach to delivering the final report and Strategy Elements noted in RFQ (Sec. III), outlining experience with curriculum vitae of principals, associate team members, and/or partners who will contribute to the strategy development.

Provide an itemized fee or range of hours with hourly fee for project components. Hourly fees should be identified and outlined by team member.

Responses shall be submitted by email by the specified due date (Sec. VII) to Kesava Washington at washington@walnut-creek.org

VI. Review Process and Criteria

Submissions will be reviewed and scored by a panel comprised of no fewer than four representatives of the city’s City Manager’s Office, Economic Development Division, Community Development Department, and partner organizations. Applicants whose submitted materials are considered in alignment with the review criteria will be notified by a representative of the Economic Development Division. Placement on the pre-qualified list does not guarantee applicant is awarded a service contract. A city representative may request additional information before awarding a service contract.

VII. Timeline

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<th>Deadline for questions to Economic Development Division</th>
<th>RFQ Submission Deadline</th>
<th>Economic Development questions to finalists</th>
<th>Notification to selected consultant</th>
<th>Tentative Project Kickoff</th>
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<tr>
<td>November 30, 2020</td>
<td>REVISED DATE: December 18, COB</td>
<td>January 8, 2021</td>
<td>January 18</td>
<td>January 28</td>
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VIII. Contact

Please submit any questions during the questions time period (Sec. VII) to washington@walnut-creek.org