



# TULARE

## Downtown Master Plan Update



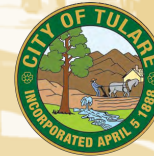
# ACKNOWLEDGEMENTS

This Tulare Downtown Master Plan Update is a result of the invaluable input, expertise, and collaboration between many organizations and individuals. It would not have been possible without their assistance, guidance, time, and dedication to the revitalization of downtown Tulare.

## Special thanks to:

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  - Jose Sigala, District 1
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- Master Plan Kick-off and networking event attendees
- Community and Stakeholder meeting attendees
- Tulare Downtown Association
- Tulare Chamber of Commerce
- Master Plan Update Working Group participants
- Contributing residents, businesses, private investors, and all interested in seeing downtown Tulare be the best it can be!

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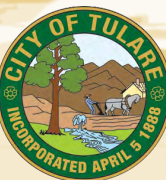
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# CH 1

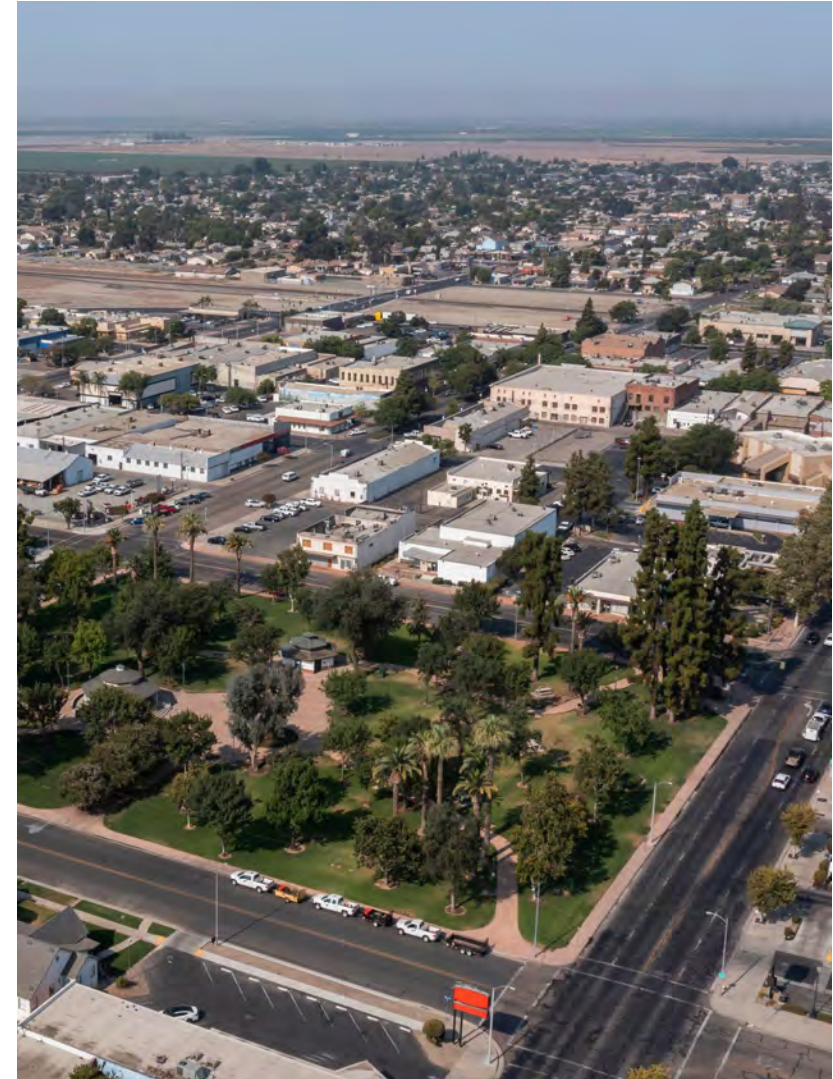
## A NEW ERA FOR DOWNTOWN TULARE – CONTEXT AND OPPORTUNITIES



## Introduction

The purpose of the Tulare Downtown Master Plan Update is to provide a **framework for the revitalization of downtown** through public and private reinvestment. Implementation of the Plan will work to re-energize Tulare and provide incentives to redevelop, strengthen, and transform underutilized blocks and areas within the downtown. This Plan strives to serve the immediate needs of downtown Tulare while also providing a **dynamic roadmap that outlines the recommended actions for revitalization, priorities, responsible parties, and funding sources** that will support the implementation of the Master Plan Update in the coming years.

Information within this chapter includes the planning area context and identification of **opportunities** within the study area. It also identifies **goals and objectives**, the **boundary of the study and sub-areas**, and numerous **opportunity sites**, as well as an overview of **public parking, land use, and zoning**. Also included are the **key takeaways** from the economic analysis, identification of opportunities and constraints, and summary.

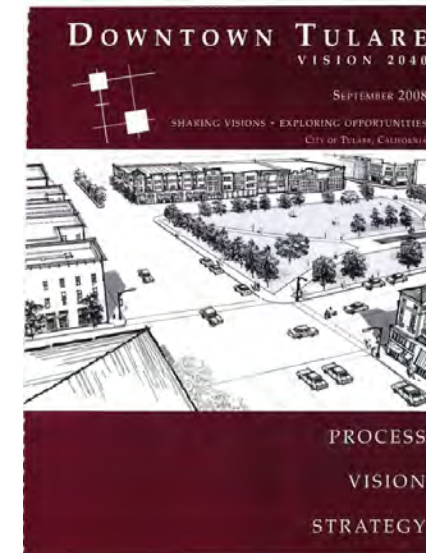
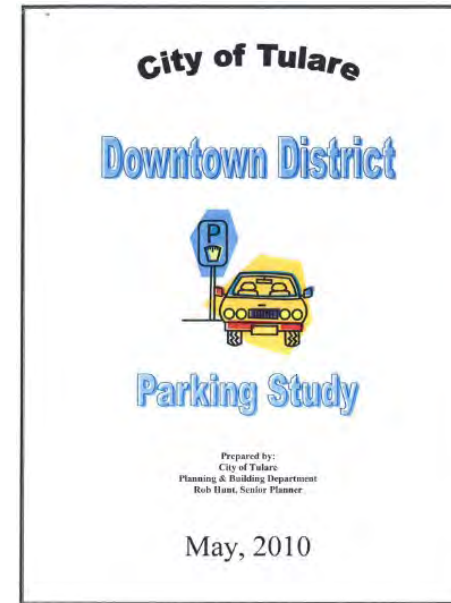


View looking west over downtown and Zumwalt Park

## Planning Context

The Tulare Downtown Master Plan Update supports many other planning efforts over past years and decades. This Plan builds upon those efforts and optimizes them to provide the best possible outcomes for the future of downtown Tulare. Previous and ongoing planning efforts that have been studied and incorporated into the development of the Plan include:

- 2008 Downtown Tulare Vision 2040
- 2010 Downtown District Parking Study
- 2012 Tulare Transit-Oriented Development Plan
- 2022 Downtown Redevelopment Projects
- 2023-2024 Olympian Square Intersection
- 2023-2024 Proposed updates to Title 10 – Zoning (Tulare Municipal Code) as they relate to the Downtown District
- 2023-2024 Downtown Business Improvement District Guidelines



Planning efforts for Downtown Tulare

## Project Area Context

Downtown Tulare is in the center of the City of Tulare and is the historic core of the city. The Plan area, highlighted in yellow in the Context Map at right, is about 0.75 miles west of State Highway 99. Direct access to and through downtown is provided by State Highway 137. Downtown includes:

- An intact street grid of approximately 30 three-acre blocks, anchored by Zumwalt Park
- A mix of street types that provide efficient connections to other parts of Tulare and the region
- A mix of small, medium, and large parcel sizes that allow a greater diversity of businesses
- Continuous sidewalks with shade trees and other streetscape amenities
- Historic buildings and public art murals
- Adjacent walkable neighborhoods
- Nearby attractions such as the County Fairgrounds to the south



## Project Area

The study area for the Plan is approximately 150 acres and includes the Tulare Downtown District, which is defined as the area east of the Union Pacific Railroad, west of O Street, north of Inyo Avenue, and south of Cross Avenue. This area (see Project Area Map at right) includes a mix of uses and many amenities that provide public benefits such as:

- Civic facilities include Tulare City Hall, Tulare Police Department, Tulare Public Library, and the US Postal Service office
- Zumwalt Park and the Santa Fe Trail
- Several schools
- Commercial uses including retail, professional services, and offices
- Bicycle facilities on M Street leading north of downtown Tulare and access to transit from the Tulare Transit Center
- Multi-family and single family housing

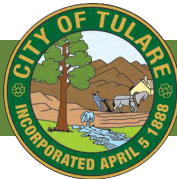


## Downtown Boundaries and Study Sub-Areas

The entire study area is approximately 150 acres, but the Plan’s recommendations focus on three sub-areas to concentrate and expedite the transformation of downtown Tulare. These are highlighted on the Sub Area Map at right and include:

### A. Historic Downtown/Commercial Corridor

This sub-area focuses on the four-block K Street corridor and extends from Inyo Avenue in the south to San Joaquin Avenue on the north. This sub-area is the historic commercial core and includes Tower Square, the recently renovated Ryan Building, the historic Linder Building, the Elks Building, and the proposed Olympian Square at the intersection of K Street and Kern Avenue.



### **B. Civic Core**

This sub-area includes City Hall, the Business Accelerator, the Police Department, and Zumwalt Park. The Zumwalt Park Amphitheater is primarily an outdoor concert venue but also includes other amenities such as new playgrounds, a splashpad, lighting, and landscaping. The Business Accelerator will include space for up to 24 startup businesses to grow and eventually mature into fully functioning businesses within the community, as well as a makerspace.

### **C. North Downtown**

This sub-area extends from Cross Street on the north to the Santa Fe Trail on the south and from J Street on the west to O Street on the east. The area includes Sierra High School, the Tulare Transit Center, and the Tulare Public Library and Council Chamber, all connected by the Santa Fe Trail.



Tulare City Hall (Civic Core)



Tulare Public Library and Council Chambers (North Downtown)

## Opportunity Sites

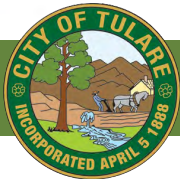
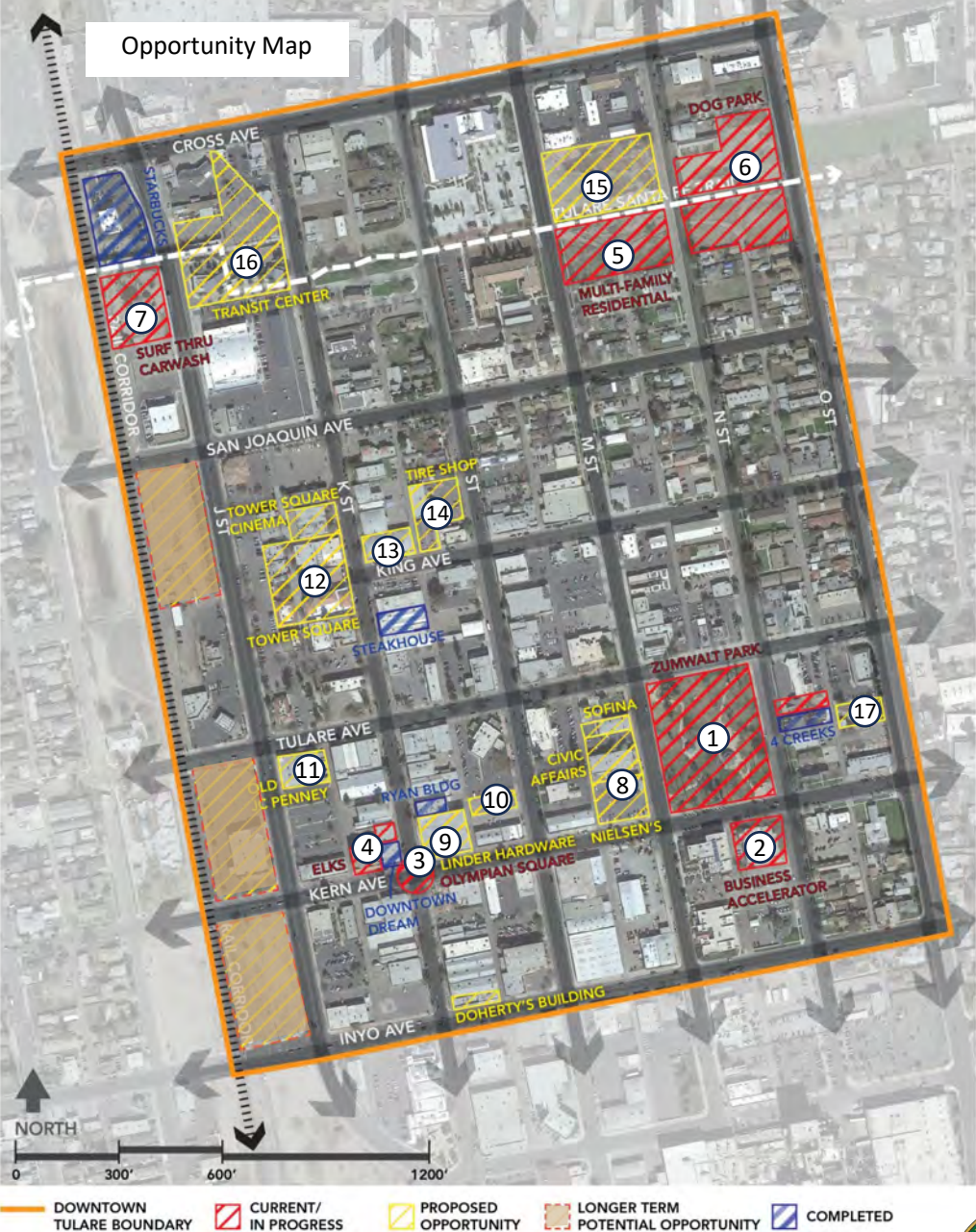
Much work has been completed in downtown Tulare. The Opportunity Map at right highlights those that are completed (blue), in-progress (red), proposed (yellow), and longer-term sites (brown). In-progress projects include those which have already begun to move forward and are no longer conceptual in nature. Longer term potential opportunities are identified as opportunities that have no funding or implementation timeline yet.

### Current/In Progress

- 1. Zumwalt Park Amphitheater
- 2. Business Accelerator
- 3. Olympian Square
- 4. Elks Building
- 5. Multifamily Residential
- 6. Dog Park
- 7. Surf Thru Carwash

### Proposed

- 8. Nielsen’s Restaurant
- 9. Linder Building Community Center Project
- 10. L St Vacant Lot
- 11. Old JC Penney
- 12. Tower Square and Old Theater
- 13. K St and King Ave Site
- 14. Tire Shop on L St
- 15. Vacant Lot on Santa Fe Trail
- 16. Transit Center
- 17. Vacant Lot on O St



## Parking

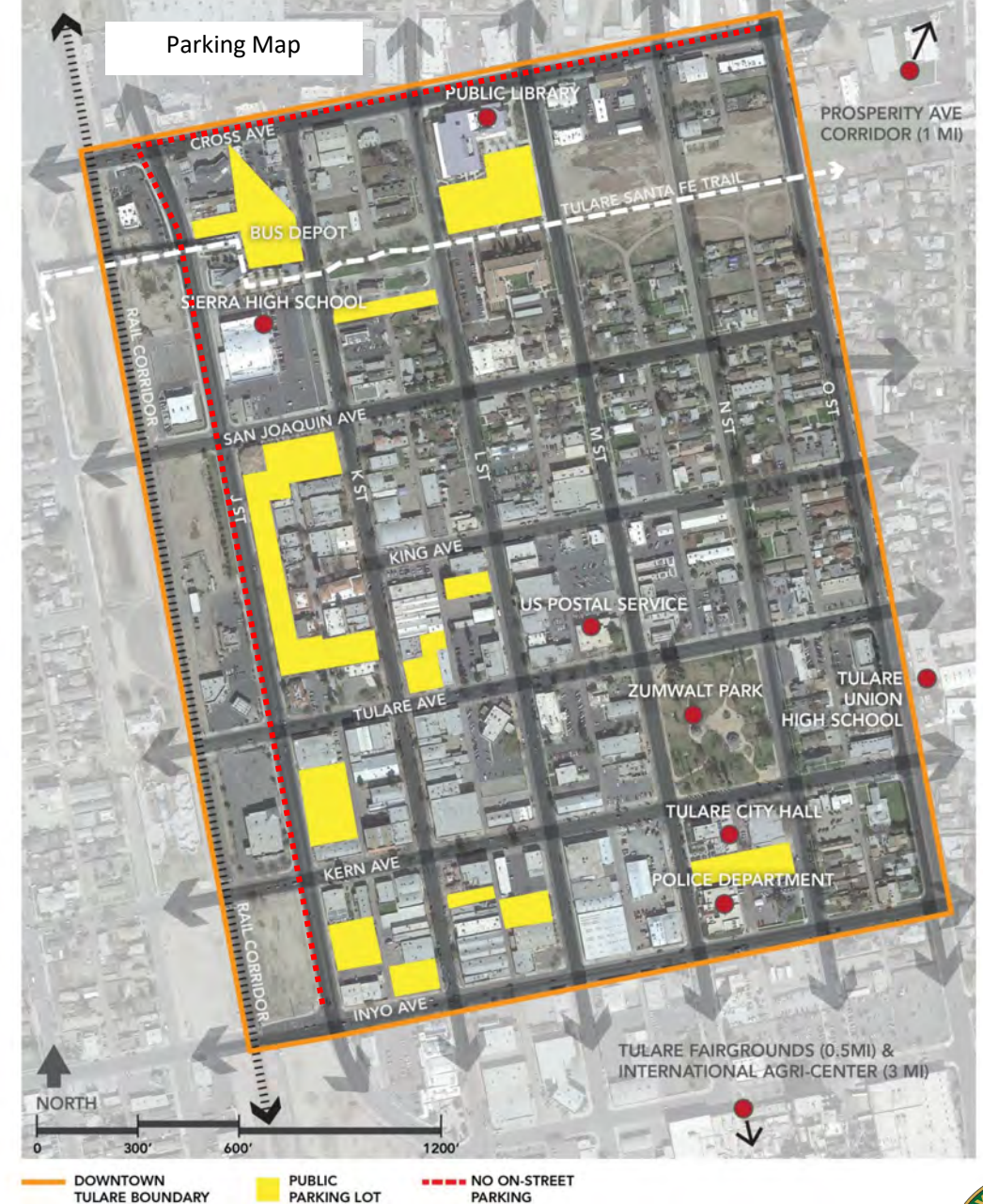
The 2010 parking study for downtown Tulare\* indicates a total of 3,828 publicly accessible parking spaces, which includes the following:

- Off-street public: 605 parking spaces
- On-street public: 1,130 parking spaces
- Off-street private: 2,093 parking spaces

In addition, there are 262 off-street private residential parking spaces.

Most of the on-street parking in the downtown is parallel parking, although a majority of Kern Avenue and K Street includes diagonal parking. In the future, it may be possible to convert some of the parallel parking to diagonal parking on a block-by-block basis.

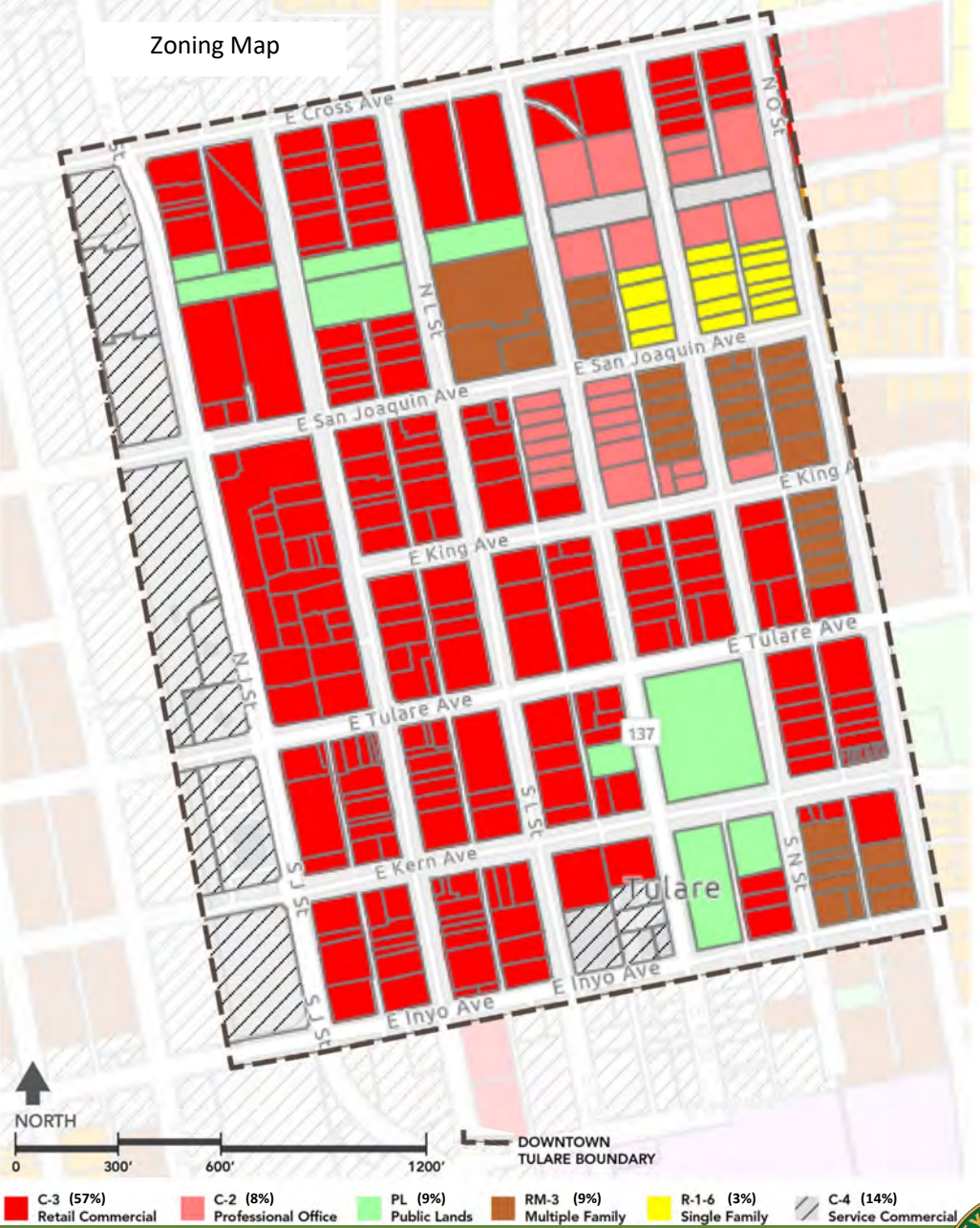
*\*Parking in the downtown has not changed significantly since 2010. Therefore, no new study was conducted for the Tulare Downtown Master Plan Update. While there is no current need for additional parking in the downtown, revitalization efforts may warrant the need for additional surface or structured parking in the future.*



## Land Use and Zoning

**Land Uses:** As of 2010, downtown Tulare included approximately 958,000 square feet of services, retail, and office commercial uses (C-2, C-3, C-4) and approximately 140,000 square feet of institutional uses and 20,724 square feet of church uses.

**Zoning:** Current zoning in downtown Tulare is shown on the Zoning Map at right. As of 2023, the City is undertaking a zoning code update, which is expected to be completed in mid-2024. The focus of the update is to develop a hybrid zoning ordinance that incorporates a mix of form-based standards, incentives, and commercial zoning standards, as appropriate depending on the area of the city. The code update will also bring zoning into agreement with the 2035 Tulare General Plan.



## Economic Analysis

Research on recent real estate market trends in the City was conducted during the planning process. This included collecting data from industry-standard sources for the City as a whole, as well as for the downtown.

This research helps set the stage for land use strategies and recommendations. The full study is in the appendix. Key summary pieces from this research are:

- Existing downtown building space consists primarily of office and retail uses
- Building stock is over 50 years old on average and few buildings have seen recent renovations
- Trends suggest there is strong local demand for office space and downtown could capture some of this demand
- There has been little growth in downtown retail inventory over the last 10 years
- Vacancy rates are higher in the downtown than in the greater city limits (with lower rents)
- More affordable rents provide an entry point for new small and local businesses
- There are few multifamily units within the downtown area, with no new development over the last 10 years
- Average downtown housing rents are lower than the City and Trade Area, underscoring low demand for living downtown, and therefore, for developing housing downtown



Historic Elks building in downtown Tulare



Recent housing development in downtown Tulare

# Economic Analysis: Three Takeaways

## 1. The City’s economic concentration differs from Tulare County

Both the City and County have large employers in the healthcare and education sectors with healthcare being a more prominent employer in the County. Major employers in the city are concentrated around agriculture and dairy, while the County has a stronger concentration in the distribution and manufacturing sectors.

## 2. Downtown faces a weak real estate market

There has been nearly no new development in downtown Tulare, with most new development occurring on the eastern edges of the city and by the Tulare Outlet Mall. The building stock in downtown is on average over 50 years old and has seen few renovations over the last 10 years.

## 3. Downtown affordability is both an opportunity and a challenge

Cheaper office and retail rents offer an opportunity to attract new businesses, especially small and local businesses, but they also accommodate lower-performing businesses. Housing affordability near downtown reflects its older vintage, which may not be as attractive to those seeking a traditional “downtown” lifestyle.



Potential redevelopment site in downtown Tulare



Flying Taco small business in downtown Tulare



## Opportunities and Constraints

Based on initial analysis of existing conditions, context, and economic factors, there are numerous opportunities and constraints associated with the continued transformation of downtown Tulare which are summarized below and on the following page.

### Opportunities

- There is strong political support for the transformation of downtown
- The historic downtown is largely intact with great neighborhoods surrounding downtown
- There are motivated local private investors and entrepreneurs
- K Street is a robust commercial corridor
- Several downtown transformational projects are currently underway, including Zumwalt Park as the centerpiece and the Business Accelerator
- The upcoming zoning code updates and the formation of the Special Benefit Property Assessment District
- Cheaper office and retail rents offer an opportunity to attract new businesses, especially small and local businesses



## Opportunities and Constraints

### Constraints

- Downtown is large (150 acres)
- Pass-through concerns due to Highway 137 runs east-west through downtown
- Streetscape improvements on Highway 137 may be limited or difficult to implement due to Caltrans control of the right-of-way
- There is limited housing in the downtown area
- There has been nearly no recent new development in downtown Tulare
- Shopping centers at Prosperity Avenue and Highway 99 have competed with downtown
- Lighting of downtown sidewalks is not consistent
- Maintenance of streets and sidewalks is minimal outside of the K Street corridor and historic core of the downtown
- There have been no recent downtown public realm improvements including streetscapes and bike facilities



## Goals and Objectives

The key to downtown redevelopment is providing opportunities and amenities for **people, including living, working, eating, recreating, and entertaining**. The Tulare Downtown Master Plan Update includes a detailed strategic vision to **guide and support downtown revitalization and redevelopment efforts**, providing a foundation for implementation and direction for years to come.

The primary objective of the Plan is to build upon predetermined goals and objectives and develop those goals and objectives into a **“living” concept and strategic implementation plan**. The vision, created with input from citizens and stakeholders, provides for a complete downtown with Zumwalt Park as the focal point. The Plan serves as a tool to evaluate new development projects to ensure that the downtown is the community that the citizens desire it to be. It is envisioned that downtown will **become a vibrant, pedestrian-oriented environment filled with experience-oriented niche retail, restaurants, and cultural activities unique to Tulare**.



## A New Era for Downtown Tulare

The Tulare Downtown Master Plan Update blends and incorporates existing conditions, community aspirations, and critical analysis into a set of strategies, actions, and recommendations tailored specifically to Downtown Tulare.

The following chapters will summarize **community and stakeholder engagement (Chapter 2)**, provide the key **steps to revitalizing Downtown Tulare (Chapter 3)**, and lay out a path to **implementing the Plan (Chapter 4)**.

The Tulare Downtown Master Plan Update is intended to be a **living document** that should evolve and change as needed to serve the ultimate purpose of **revitalizing Downtown Tulare for years to come**.



Zumwalt Park renovation groundbreaking ceremony (November 16, 2023)

# CH 2

## COMMUNITY AND STAKEHOLDER ENGAGEMENT



## Introduction

The project team engaged with the Tulare community and stakeholders at various points in the process of plan development. The intent of these meetings was to create an **open atmosphere where participants with varying viewpoints could listen, be heard, acknowledged, and work together** towards the common goal of revitalizing downtown Tulare.

There were four opportunities identified for engagement ranging from initial listening sessions to sharing initial recommendations and emerging concepts.

The four engagement opportunities included:

1. Community Meeting (November 10, 2022)
2. Stakeholders Meeting (November 29, 2022)
3. City Council Meeting (December 6, 2022)
4. Downtown Master Plan Project Committee Meeting (January 31, 2023)



Stakeholder meeting



Site tour and kickoff meeting

## Community Meeting

Members of the public from Tulare joined the project team on November 10, 2022 to provide input with respect to what is working and what is not working within the downtown study area. The Community Meeting Map shown at right was present at the meeting and includes participant feedback that was shared during the session. Key takeaways from the community's input included:

- Establish a common visual/aesthetic theme throughout downtown
- Push to activate vacant buildings
- Consider outdoor dining parklets
- Create opportunities for multi-story parking structures
- Identify opportunities at Tower Square
- Provide monthly activities on festival streets
- Encourage more public art and murals
- Highlight the history of downtown Tulare
- Support local restaurants and businesses
- Ensure long-term maintenance is included in any plans
- Improve wayfinding program
- Continue to develop community grants for businesses
- Encourage more pedestrian traffic to safely get to the west side

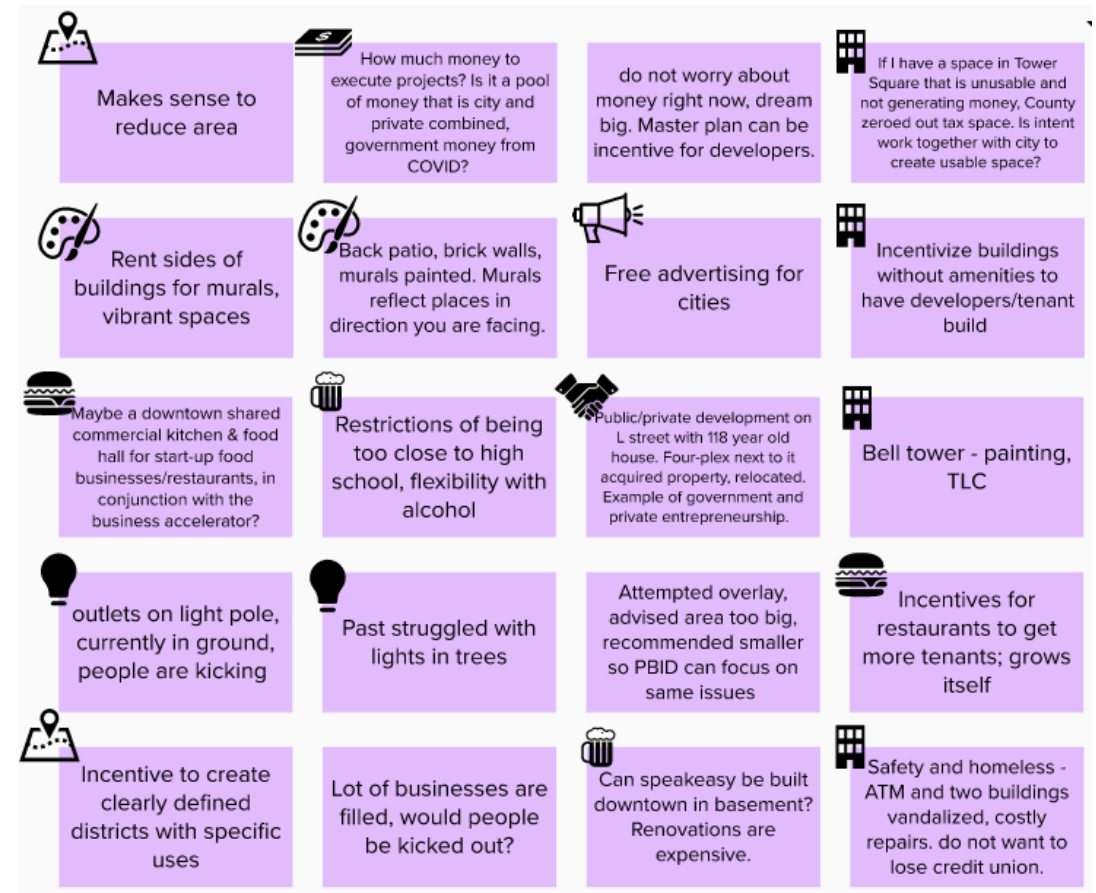


Comments from the community on the project boundary map from the November 2022 community meeting

## Stakeholders Meeting

Downtown property owners and merchants discussed opportunities for downtown Tulare on November 29, 2022. This meeting was an opportunity for business leaders in downtown Tulare to share what they see as opportunities or challenges to revitalization in the downtown. Key takeaways from the meeting included:

- Increase downtown outdoor events
- Identify Tower Square opportunities
- Increase street and sidewalk lighting
- Expand niche retail including food incubators
- Address homelessness concerns
- Take advantage of social media
- Expand marketing advertisement to recruit tenants
- Brainstorm with developers to find solutions and new ideas
- Expand the mural program

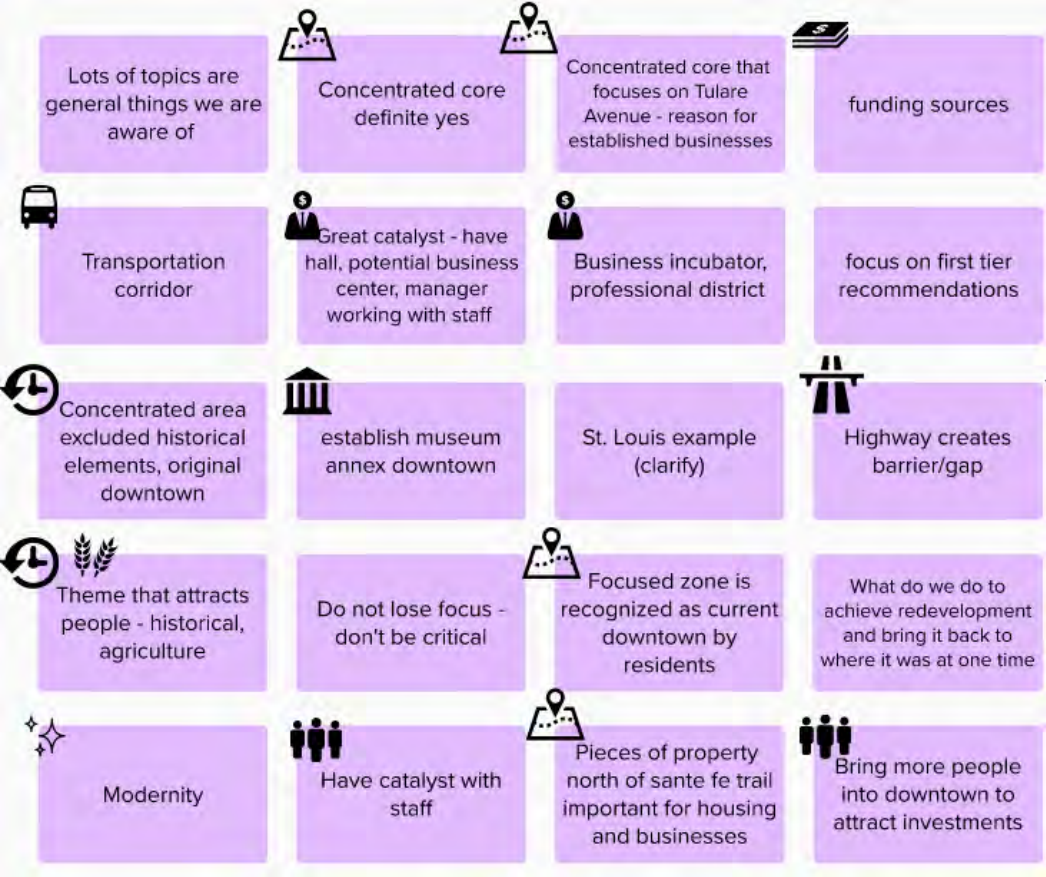


Excerpt of comments from stakeholders at the November 2022 stakeholders meeting

# City Council Meeting

The City Council convened on December 6, 2022 to hold a special meeting (study session) to receive updates on the status of the Downtown Master Plan Update. This meeting also included an interactive exercise that allowed Council members to provide direction and input on the downtown study area. Key takeaways from the meeting included:

- Locate focused housing opportunities on key sites to establish a critical mass
- North of Santa Fe Trail is a good place for housing and businesses
- Expand theme of the downtown to attract people (perhaps historical or agriculture)
- Improve branding in collaboration with the historical society
- Create opportunities for business incubators and catalysts for working downtown
- Maintain the history and uniqueness of downtown
- Attract more people to the downtown to increase investment
- Find a role for the arts



Excerpt of comments from City Council at the December 2022 special meeting (study session)



# Downtown Master Plan Project Committee Meeting

The Downtown Master Plan Project Committee convened on January 31, 2023 to receive updates on the status of the Downtown Master Plan Update. This meeting also included an interactive exercise that allowed members of this committee to provide direction and input on the downtown study area. The Community Meeting Map shown at right was present at this meeting and includes committee members’ feedback shared during the meeting. The following is a summary of the key takeaways from the meeting:

- A food incubator would make Tulare unique and support other downtown businesses
- Consider historic preservation and an historic district to provide benefits to owners who renovate
- Market the downtown to larger employers to create a critical mass
- Ensure good land uses for an active downtown
- Interested in spas, salons, and similar uses for attracting consumers
- Clarify Chamber of Commerce’s role in managing and monitoring the quality of businesses
- Work with property owners to revisit special taxing district in the downtown
- Recommend street tree and street light improvements



Comments from the Downtown Master Plan Project Committee Meeting on the project boundary map from January 31, 2023



# Engagement Takeaways – Top Priorities

The overall key themes at right emerged from an analysis of all community and stakeholder engagement. These serve to set the stage for the revitalization chapter of the Plan as reminders of the top priorities and opportunities seen by the community, key stakeholders, the City Council, and the project committee.



**Support local businesses and residents**



**Encourage catalyst redevelopment**



**Explore additional community and regional partnerships**



**Create a cohesive “theme” for the downtown with streetscape, landscape, wayfinding, and branding**



**Develop a food incubator/food hall with local agricultural connections**



# CH 3

## STRATEGIES AND ACTIONS FOR DOWNTOWN REVITALIZATION



## Introduction

The project team **developed the following strategies and actions for downtown revitalization** based on the context and opportunities within the study area (Chapter 1) and also with direct input from the community and stakeholders (Chapter 2). Strategies and actions for revitalization include a focus on **catalytic sites** that can **expedite transformation**; strengthen **local community partnerships**; **incorporating diverse uses** that complement downtown Tulare; **developing connections with Tulare’s agricultural heritage including food incubators and food markets**; and **pursuing of creative funding and investment opportunities**. Additionally, this chapter includes recommendations for public realm improvements including **placemaking, landscape, mobility, and gateways and signage**.



Examples of landmarks and public art in Tulare

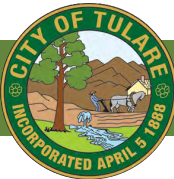
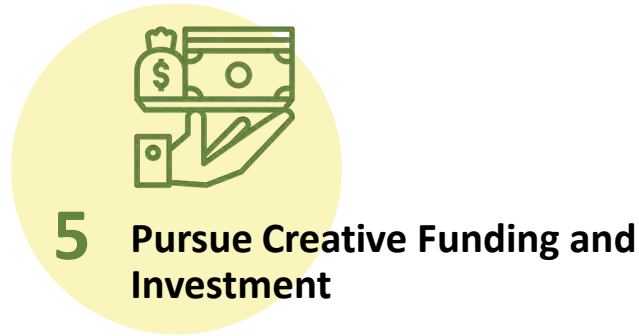
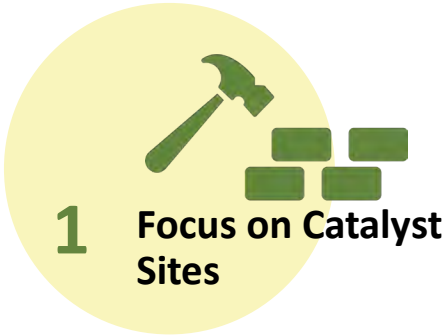
The **strategies and actions for downtown revitalization complement** the numerous projects currently underway that are providing the momentum and catalyst for continued positive change. These include the renovation of **Zumwalt Park**; the creation of the Tulare **Business Accelerator** program; the **Santa Fe Trail Dog Park**; **Tulare Business Incentive Programs**; updates to the **Downtown Zoning Code**; the formation of a **Special Benefit Assessment District**; the development of **Olympian Square** at the intersection of Kern Avenue and K Street; and development of new **Marketing and Branding** materials to communicate the City's focus on economic development in concert with the ongoing revitalization efforts occurring citywide.



Proposed Tulare Business Accelerator concept

## Potential Strategies

The City of Tulare has already initiated several successful revitalization efforts and projects. Based on community input, market assessment, and existing conditions in downtown Tulare, the strategies at right are recommended for the continued focused revitalization of downtown Tulare. Further information about each strategy is located on the following pages.





## 1. Focus on Catalyst Sites

There are already several projects underway and completed that are initiating the revitalization of downtown Tulare. These privately led initiatives include the EJ Ryan Building (138-140 K Street), tap room and mixed use (148 K Street), and the Elks Building (124–130 Kern Avenue). Other key projects being led by the City of Tulare include the Zumwalt Park and Business Accelerator projects.

To continue the revitalization of downtown Tulare, the Plan recommends focusing on the following additional catalyst sites:

- a. Nielsen's Restaurant
- b. Vacant Lot at 213 K Street (Old Theater)
- c. Santa Fe Trail Housing
- d. Linder Building

These sites have been identified for targeted city investment due to their availability, location, and ability to support the objectives of the Plan.



Nielsen's Restaurant



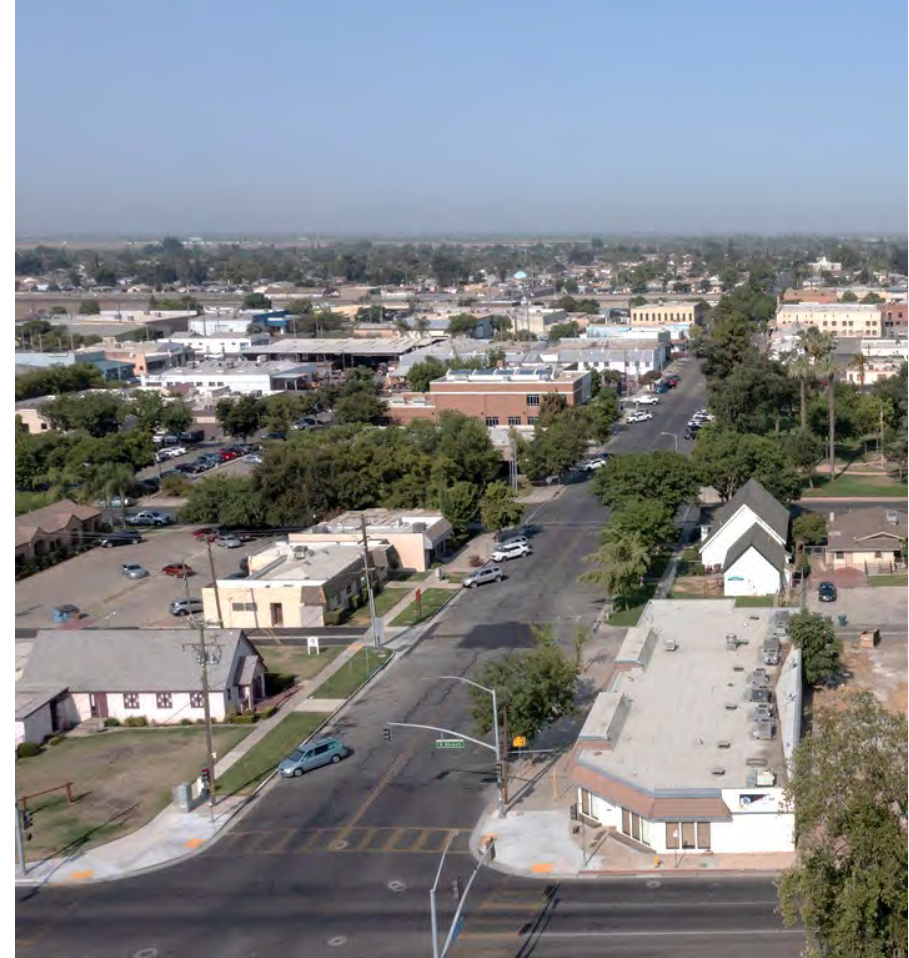
Vacant Lot at 213 K St



## Catalyst Sites – Development Considerations

The project team developed illustrative financial models to simulate the economics of the catalyst site development concepts. These “pro forma” models provide the City with high-level estimates of the costs of such projects and likely achievable revenues and are included in the Appendix of this report. As modeled, the concepts would face some financial challenges under current market conditions. These include many of the issues highlighted in the Economic Analysis in Chapter 1, including:

- High costs for materials, labor, and financing associated with new build projects in current market
- Relatively low achievable rents as downtown market continues to mature
- Low demand for certain land uses such as rental housing



View looking west towards Tulare City Hall and Zumwalt Park



## Catalyst Sites – Development Considerations

There are several options the City may pursue to address these challenges and support development at the catalyst sites. These include:

- Public participation in the project, through land acquisition, site preparation, and/or direct grants\*
- Reducing costs through lower parking requirements or waiver of City fees
- Increasing density allowance to increase project efficiency
- Allowing flexibility in the mix of land uses on the sites (e.g., allowing for horizontal mixed-use instead of vertical mixed-use)
- Partnering or supporting developments that can utilize federal and State funds, such as Low-Income Housing Tax Credits (for affordable housing projects) or New Market Tax Credits (for

business development in low-income communities).

- A phased approach to development of the catalyst sites (as detailed above), to allow for the downtown market to further mature while still serving the needs of downtown residents, employees, and visitors

While the above strategies would not guarantee the development of the exact concepts envisioned in the Plan, they would signal to the developer community the City's strong interest in redevelopment at these sites and its willingness to be a partner in actualizing that redevelopment.

*\*Such public participation can involve additional factors, such as a requirement to use prevailing wage labor on any project. Additionally, any sale of publicly owned land would need to comply with California's Surplus Land Act (Gov. Code, §§ 54220-54234).*





## Catalyst Sites — Nielsen's Restaurant Site

The former Nielsen's Restaurant at 137 M Street, including the adjacent Civic Affairs building, is an ideal site to continue the revitalization of downtown Tulare. The site is approximately 1.1 acres and is adjacent to Zumwalt Park and City Hall. The long-term vision for redevelopment of this site could include housing and office above ground-floor commercial. A financial pro forma is in the appendix. While this long-term vision is seen as challenging based on current market conditions, the following changes have the potential to improve feasibility:

- Lower construction costs
- Lower parking requirements
- Higher density allowance
- Fee waivers
- Higher market rents (as the market matures)
- Uses that can tap into diverse funding sources (e.g., affordable housing)
- Other financial incentives from the City



Existing condition (above) and proposed long term vision (below) for the Nielsen's site



### Catalyst Sites — Nielsen's Restaurant Site Financial Pro Forma

Inputs	<i>Assumptions</i>	Residential	Office	Retail	Total Concept
<b>Program</b>					
Units or Square Feet		24	14,737	7,692	
Parking Spaces		46	42	35	123
<b>Development Costs</b>					
Construction Costs		\$4,901,175	\$3,868,538	\$2,019,038	\$10,788,750
Per sq. ft.		\$288	\$263	\$263	
Parking Costs	\$35,000 per space	\$1,610,000	\$1,470,000	\$1,225,000	\$4,305,000
Soft Costs	20% of hard costs	\$1,329,635	\$1,095,108	\$676,208	\$3,100,950
Impact Fees	2.5% of hard costs	\$166,204	\$136,888	\$84,526	\$387,619
Financing	3.4% of hard and soft costs	\$223,960	\$184,457	\$113,899	\$522,316
Developer Fee	4.0% of all costs	\$334,719	\$275,680	\$170,227	\$780,625
<b>TOTAL COST</b>		<b>\$8,565,694</b>	<b>\$7,030,670</b>	<b>\$4,288,896</b>	<b>\$19,885,260</b>
<b>Development Value</b>					
Gross Rental Income		\$359,328	\$290,909	\$216,150	\$866,387
Per sq. ft.		\$1.88	\$1.93	\$2.75	
(Minus Vacancy)	5.0% of gross revenue	(\$17,966)	(\$14,545)	(\$14,545)	(\$47,057)
(Minus Operating Expenses)		(\$125,765)	(\$5,818)	(\$5,818)	(\$137,401)
% of Gross Revenue		35.0%	2.0%	2.0%	
Total Annual NOI		\$215,597	\$270,545	\$195,786	\$681,929
Yield on Cost		5.50%	6.00%	6.00%	
<b>CAPITALIZED VALUE</b>		<b>\$3,919,942</b>	<b>\$4,509,090</b>	<b>\$3,263,106</b>	<b>\$11,692,137</b>
<b>FINANCIAL SURPLUS/(GAP)</b>		<b>(\$4,645,752)</b>	<b>(\$2,521,581)</b>	<b>(\$1,025,790)</b>	<b>(\$8,193,123)</b>

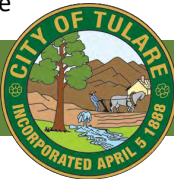
#### Notes:

- Assumes the city would pay for land acquisition and site preparation, and that project would use prevailing wage for construction labor.
- Rents are based on new projects across Eastern Tulare County, not only downtown Tulare.
- No tenant improvement costs included in construction costs, as such costs are assumed to be minimal for this concept.
- Model is based on stabilized occupancy and does not account for costs associated with absorption period.





Proposed long term vision for the Nielsen’s site





## Catalyst Sites — Nielsen's Restaurant Site

As an interim solution to more immediate needs, the Nielsen's site could become a supportive use to the Zumwalt Park Amphitheater and other park functions. This temporary use would include surface parking for access to the park, as well as direct mid-block access from that parking area into Zumwalt Park. There is also an opportunity for supportive food, drink, and retail uses which could include indoor/outdoor short-term structures designed to operate on a limited or flexible basis.

This concept serves as an implementation strategy for the phasing into the long-term vision for the Nielsen's site. This concept could be a publicly-led effort with support from developer partners as a step toward creating conditions that would shift the market into being more favorable for the long-term development vision shown on the previous pages.



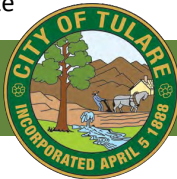
Proposed interim vision (above) for the Nielsen's site and examples (below) of similar projects



Examples of interim use outdoor markets: BLVD in Montebello (left) and Quartyard in San Diego (right)



Proposed interim vision for the Nielsen's site





## Catalyst Sites — Vacant Lot at 213 K Street

The vacant lot at 213 K Street (old theater site) is part of the Tower Square area. The theater was active from 1977 until 1998 and repurposed for other non-theater uses until the building became vacant in 2020. The site is on the north side of the Tower Square area and is approximately 12,000 square feet. Proposed redevelopment of the site could include a permanent location for a food market that could spur transformation on the north end of K Street. Further examples of this type of public market and a financial pro forma analysis are included in the appendix.

Overall feasibility can be impacted by several inputs such as tenant improvement costs that depend on level of finish and utility needs, achievable rents for target tenants, and operating expenses and programming.



Existing conditions at 213 K Street



San Luis Obispo Public Market (example)



Glendora Public Market (example)



### Catalyst Sites — Vacant Lot at 213 K Street

Inputs	<u>Assumptions</u>	Food Hall
<u>Program</u>		
Units or Square Feet		10,000
Parking Spaces Required		64
<u>Development Costs</u>		
Construction Costs	\$225 per gross bldg. sq. ft.	\$2,250,000
Tenant Improvement Costs	\$25 per rentable sq. ft.	\$208,750
Soft Costs	20% of hard costs	\$511,750
Impact Fees	3.5% of hard costs	\$89,556
Financing	3.4% of hard and soft costs	\$86,902
Developer Fee	4.0% of all costs	\$129,878
<b>TOTAL COST</b>		<b>\$3,276,836</b>
<u>Development Value</u>		
Gross Rental Income	\$1.50 per rentable sq. ft.	\$150,300
(Minus Vacancy)	5.0% of gross revenue	(\$7,515)
(Minus Operating Expenses)	10.0% of gross revenue	(\$15,030)
Total Annual NOI		\$127,755
Yield on Cost		6.25%
<b>CAPITALIZED VALUE</b>		<b>\$2,044,080</b>
<b>FINANCIAL SURPLUS/(GAP)</b>		<b>(\$1,232,756)</b>

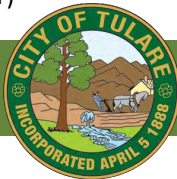
#### Notes:

- No land or site costs are included in the analysis, as site is already owned and cleared.
- Assumes no new parking developed, and that patrons would use existing Tower Square parking.
- **Several model inputs can range significantly\* and impact overall feasibility, including:**
  - Tenant improvement costs: Depends on level of finish, utility needs, etc.
  - Achievable rents: Depends on target tenants (e.g., established restaurants vs. new businesses)
  - Operating expenses: Depends on level of operator involvement/programming

\*Model attempts to illustrate a concept in the middle of the range.



Potential food hall/market concept at the 213 K Street site (old theater)





## Catalyst Sites — Santa Fe Trail Housing

The two large vacant blocks between M Street and O Street on the south side of Santa Fe Railroad Trail is a great opportunity to bring housing into downtown Tulare. The two blocks are approximately 2.5 acres total and are bisected by N Street. The site offers immediate access to the Santa Fe Trail and the proposed dog park.

As depicted in the graphic to the right, a proposed development could include approximately 44 units with tuck-under parking, landscaping, open space, and one children's play area per block. It is modeled based on the recent residential project on the northwest corner of M Street and San Joaquin Avenue, one half-block south.



Potential long-term development



Recent housing development in downtown Tulare

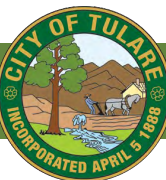


### Catalyst Sites — Santa Fe Trail Housing

Inputs	<i>Assumptions</i>	Residential Total	Residential Per Unit
<u>Program</u>			
Site Acres		2.2	
Residential Units	1,350 gross sq. ft. per unit	44	1
Parking Spaces			
Tuck Under		92	2
Surface Parking		20	0.5
Total Parking		112	2.5
<u>Development Costs</u>			
Land Acquisition		\$45,000	\$1,023
Site Costs	\$10 per sq. ft.	\$984,213	\$22,368
Construction Costs	\$134 per sq. ft.	\$7,930,645	\$180,242
Surface Parking Costs	\$5,000 per space	\$100,000	\$2,273
Soft Costs	20% of hard costs	\$1,802,972	\$40,977
Impact Fees	\$14,872 per unit	\$654,381	\$14,872
Financing	2.7% of hard and soft costs	\$315,486	\$7,170
Developer Fee	4.0% of all costs	\$473,308	\$10,757
<b>TOTAL COST</b>		<b>\$12,306,005</b>	<b>\$279,682</b>
<u>Development Value</u>			
Gross Sales Revenue	\$223 per sq. ft.	\$13,246,200	\$301,050
(Minus Marketing & Commissions)	5.0% of gross revenue	(\$662,310)	(\$15,053)
<b>TOTAL VALUE</b>		<b>\$12,583,890</b>	<b>\$285,998</b>
<b>FINANCIAL SURPLUS/(GAP)</b>		<b>\$277,885</b>	<b>\$6,316</b>

#### Notes:

- Land acquisition cost is based on most recent sale of the property and does not reflect current market value for land in the area.
- Sale prices are informed by sales of new homes across Eastern Tulare County, not only downtown Tulare.
- Model is based on stabilized occupancy and does not account for costs associated with absorption period.
- Project as modeled appears economically feasible but increases in any factor—particularly land costs—would impact feasibility.





## Catalyst Sites — Linder Building Community Center

The Linder Building at the corner of K Street and Kern Avenue (164 K Street) is the site of the former Linder Hardware. The building was constructed in 1884 and is an iconic building in downtown Tulare. The current building owner is proposing to partner with a variety of retail, educational, and faith-based tenants to provide activities and events for the public every day of the week.

The adaptive reuse of the building is being proposed by the owners as a community center project that will include a BBQ bistro or upscale bakery, medium and large meeting rooms, a charter school program or after-school program, rooftop pickle ball courts, and a venue for Sunday morning church services.



Linder Building Community Center renderings (above and below) provided by Radiant Church



## 2. Strengthen Community Partnerships

There is an opportunity to attract quality businesses that appeal to residents and tourists. There are potential medium or large organizations which could operate satellite or specialized facilities within the downtown. There are currently no higher education or healthcare facilities located in the downtown.

- Identify employer partner to bring workers downtown, creating daytime activity such as:
  - College of the Sequoias
  - Healthcare Providers
- Continue to provide financial support in renovating building stock, particularly for desired uses such as restaurants.



College of the Sequoias in Tulare



Adventist Health Campus in Tulare





### 3. Include a Diversity of Uses

Support investment in a mix of real estate uses and placemaking. A diverse range of uses works to support revitalization by providing an opportunity for residents, employees, employers, and visitors to support a variety of business types. This could happen within individual buildings (vertical mixed-use) or between adjacent buildings on the same parcel (horizontal mixed-use). Some additional strategies to incentivize a greater diversity of uses are:

- Update and enforce building codes to drive investment in deteriorating structures (or incentivize sales of those buildings).
- Partner with the Chamber of Commerce and property owners to create spaces for business incubator “graduates” to locate in downtown.
- Identify potential vacant buildings that could support a call-center used to bring large numbers of people to work in the downtown.
- City may offer incentives for adding second story housing in existing downtown buildings such as the Elks Building, JCPenney Building, EJ Ryan Building, lofts at 151 K St, or others which have an existing upper floor.



K Street Building Rehabilitation



Downtown Business Accelerator



#### 4. Develop Food Incubator/Indoor Market with Agriculture Connection

With the historic prominence of agriculture in the Tulare area, there is significant opportunity to strengthen the connection between agriculture, food, and downtown Tulare. In addition, the Tulare International Agri-Center is located less than three miles southeast of downtown Tulare. The Agri-Center is the site of the annual World Ag Expo, which draws over 1,200 exhibitors and 100,000 visitors from around the world.

The connection could combine users of the Business Accelerator building adjacent to City Hall with food and cooking classes featuring the local food products, as well as the cuisine of Tulare’s immigrant population; and building space opportunities such as the Linder Building and the proposed adaptive reuse of the vacant lot at 213 K Street (old theater site).



Tulare Agriculture Complex



World Agriculture Expo



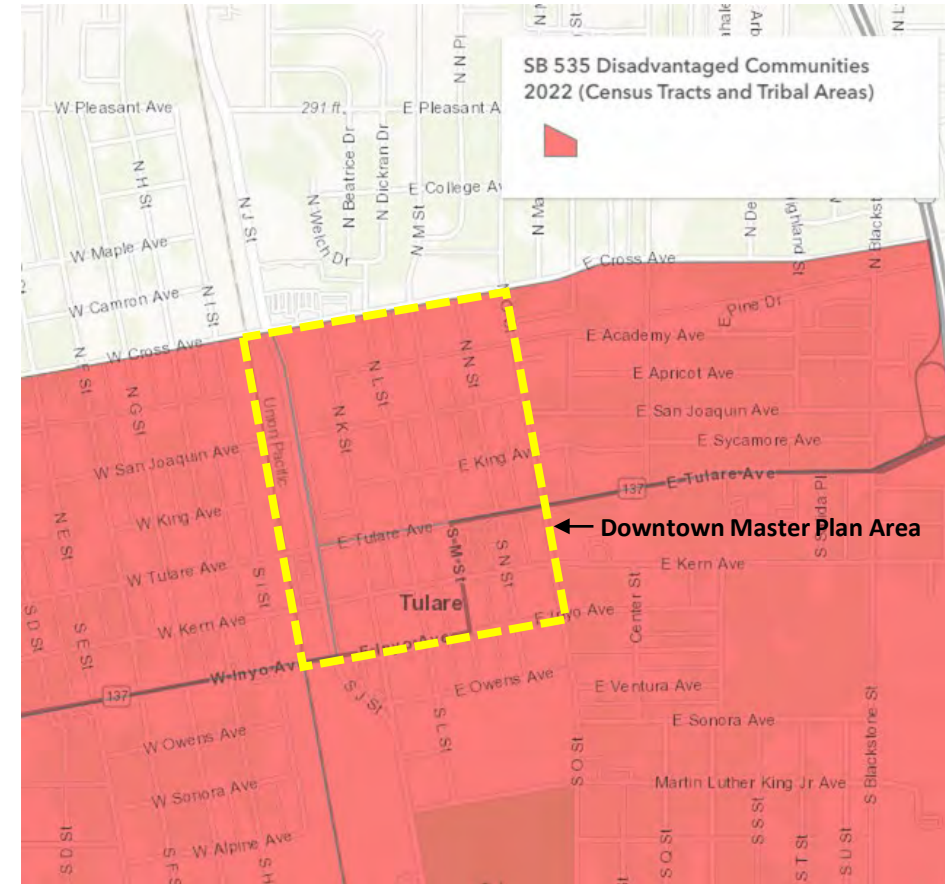


## 5. Pursue Creative Funding and Investment

Tulare has a recent and successful history of securing funding that is **spearheading downtown redevelopment**. The pursuit of creative funding resources should continue with the following strategies and opportunities:

- Consider land-based financing tools and public-private partnerships including: Community Facilities Districts (CFD), Enhanced Infrastructure Financing Districts (EIFD), and Property and Business Improvement Districts (PBID)
- Continue to utilize and provide information on grant funding opportunities (e.g., Disadvantaged Communities investment program)\*
  - Disadvantaged communities in California are specifically targeted for investment of proceeds from the State's Cap-and-Trade Program. These investments are aimed at improving public health, quality of life, and economic opportunity in California's most burdened communities, and at the same time, reducing pollution that causes climate change.
  - Explore uses that can tap into federal funding tools, such as Low-Income Housing Tax Credits and New Market Tax Credits.

*\*See Chapter 4: Implementation for additional funding opportunities*



SB 535 Disadvantaged Communities 2022

## Public Realm Recommendations

Downtown Tulare has a robust public realm. The public realm includes streets, sidewalks, alleyways, trails, and parks. The recommendations in this section are intended to work in conjunction with private investment to attract and retain more people in downtown Tulare. The following pages provide an overview of recommendations for the future revitalization of downtown Tulare. These recommendations are based on the momentum of existing conditions in Tulare with respect to the following:

**Placemaking:** Public spaces that improve urban vitality and promote happiness and well-being.

**Landscape:** Trees, plants, and other greenery which provides aesthetic appeal and shade to the downtown.

**Mobility:** How people get around, providing options for those who drive, walk, ride, or take transit into the downtown.

**Gateways and Signage:** Providing the first point of contact between visitors and downtown Tulare, ensuring that key destinations are easy to find.



Zumwalt Park Summer Concert

## Placemaking Recommendations

Downtown Tulare currently has numerous features that contribute to placemaking. Placemaking means creating interesting, vibrant and active places. It focuses on transforming public spaces to strengthen the connections between people and these places. Current placemaking features in downtown Tulare include streetscape improvements such as brick-paved sidewalks and crosswalks, seating areas, historic-themed lighting, and street trees, as well as historic buildings and their adaptive reuse, unique shops and restaurants, outdoor markets and events, alleyways and plazas, and a significant number of outdoor murals.

Recommendations for strengthening placemaking in downtown Tulare include streetscape improvements such as new and upgraded lighting (for aesthetics and safety), additional street trees, and landscaping. Additional improvements could include wayfinding and signage, additional outdoor murals, and creation of a Tulare self-guided mural walking tour.



K Street Midblock Alley



Zumwalt Park Amphitheater (2024 Opening)



Placemaking: Outdoor Events



Placemaking: Outdoor Murals



Placemaking: Shaded Seating Areas



Placemaking: Unique Seating Areas and Plazas



## Landscape Recommendations

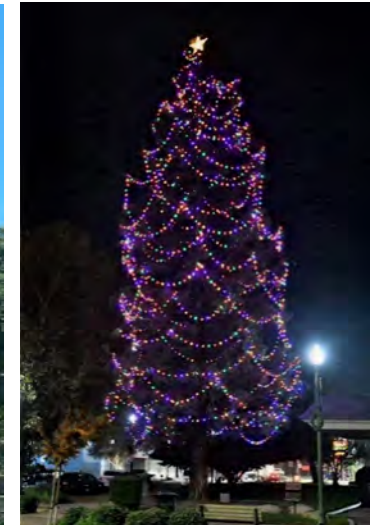
Street trees and park trees in downtown Tulare contribute to the overall aesthetic of the downtown area, as well as providing important shade and lessening the affects of urban heat island. Street trees are generally planted in sidewalks, parkway strips, and in open spaces such as Zumwalt Park.

Efforts should be made to plant additional street trees to create a more complete urban forest and replace aging and unhealthy trees with lower maintenance and less water-consuming trees as well as include new trees that offer seasonal interest such as fall color and flowering trees.

In addition, ground plane landscaping in open tree planting areas should be provided as well as container planting.



Zumwalt Park Playground



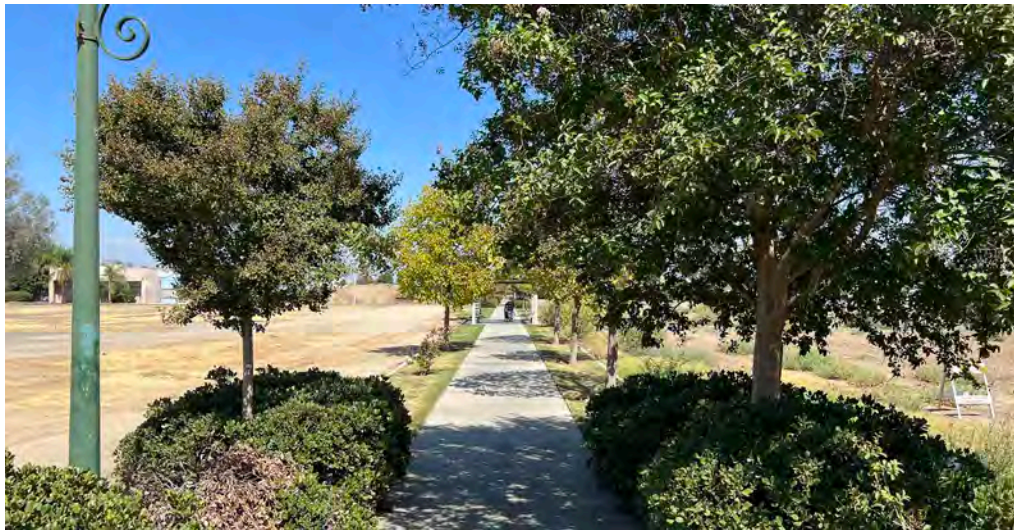
Mature and Notable Trees in Tulare



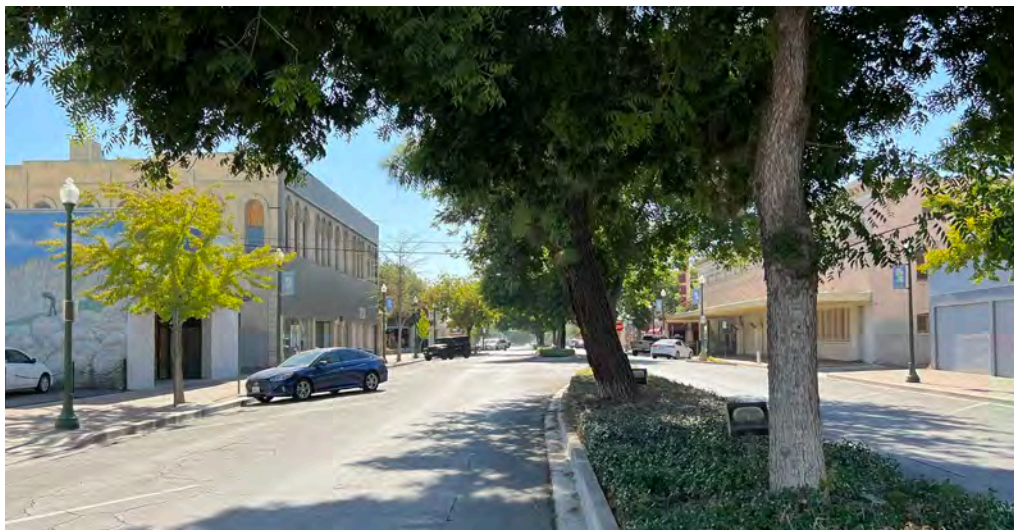
Landscape: Robust Planting at Intersections



Landscape: Cohesive Street Tree Canopy



Landscape: Tree-lined Walkways and Promenades



Landscape: Planted Medians



## Mobility Recommendations

The street network in downtown Tulare takes up a significant amount of land area and contains a variety of streets that provide access to local amenities, housing, and City services. These streets provide opportunities for movement as well as spaces for people to enjoy their community. Streetscape improvements should be undertaken throughout the downtown in accordance with any future branding designs and decisions. Downtown streetscapes should prioritize safe, comfortable, vibrant, and pleasant environments and should consider all transportation types including public transit and last-mile connections. Wide sidewalks for increased pedestrian activation and ample placemaking opportunities are desirable near commercial uses, as well as flexible streets that can be closed for special events. There is opportunity for additional bike lane connections into surrounding neighborhoods.



Public sidewalk on K Street in Downtown Tulare



Tulare Transit Center



Mobility: Temporary street closure for special event



Mobility: Sidewalk adjacent to potential redevelopment site



Mobility: Improved intersection with curb extensions, bollards, and decorative paving



Mobility: Safe last-mile connections for cyclists and pedestrians



## Gateways and Signage Recommendations

Key entrances into downtown provide opportunities to celebrate and enhance the community's identity. Signage and wayfinding at these areas can celebrate and enhance the identity of the downtown. Lighting and landscaping should also be used in conjunction with a signage and wayfinding program to enhance and highlight visibility and importance for visitors and locals. Wayfinding can also take the form of intersection treatments that provide an inviting approach into the area to those arriving by car, bike, foot, or transit. There is also an opportunity to provide directional signage towards the downtown and its attractions and businesses from nearby highways and major thoroughfares.



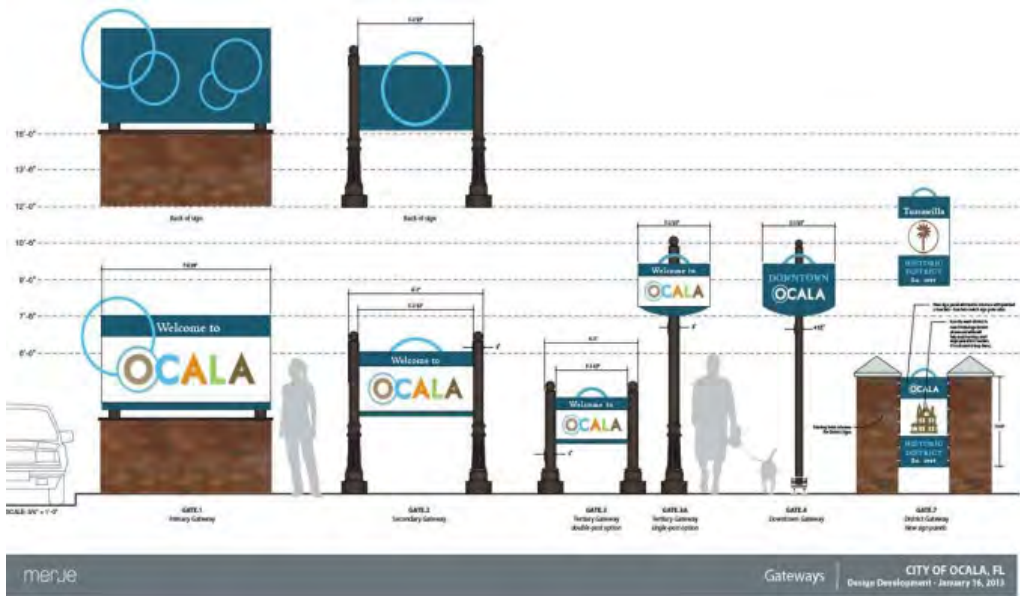
Tower Square Gateway Sign



Gateways and Signage: Downtown Tulare Olympic Square Concept



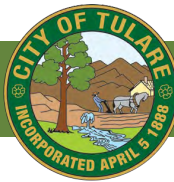
Gateways and Signage: Tulare water tower



Gateways and Signage: Example of a Downtown Wayfinding Program



Gateways and Signage: Downtown Tulare banner on historic streetlight



## Revitalization Summary

**Key strategies and actions for downtown revitalization** include recommendations for redevelopment of four key downtown sites:

1. Redevelop the former Nielsen’s Restaurant site adjacent to Zumwalt Park into a two- to three-story building with a variety of uses including **ground floor retail, housing**, and the possible relocation of the **Tulare Historical Museum**.
2. Construct a **new 10,000 square foot building** on the site of the former theater at 213 K Street that would include a **food market** that could spur transformation on the north end of K Street.
3. Develop **new multi-family housing** on the two large vacant blocks adjacent to the Tulare Library between M Street and O Street on the south side of Santa Fe Railroad Trail. The site is approximately 2.5 acres and would provide approximately 44 homes with immediate access to the **Santa Fe Trail** and the proposed **dog park**.
4. Support the **adaptive reuse** of the historic **Linder Building** at the corner of K Street and Kern Avenue to include a BBQ bistro or upscale bakery, medium and large meeting rooms, a charter school program or after-school program, rooftop pickle ball courts, and a venue for Sunday morning church services.



Additional recommendations include strengthening partnerships with **College of the Sequoias** and **local healthcare providers** to bring more jobs and people to downtown, focus on **attracting a diversity of uses** to appeal to Tulare's diverse population, strengthen the connection to **Tulare's agriculture heritage** around food and farm-to-table dining, and the pursuit of **creative funding and investment opportunities**.

Complementing the above recommendations for attracting people and jobs to downtown are suggestions for public realm improvements including **placemaking, landscape, mobility, and gateways and signage**.

These ideas **forge a path forward for a new era of Downtown Tulare** and represent the collective voices of the downtown community and stakeholders.



# CH 4

## IMPLEMENTATION



## Introduction

This chapter outlines the actions for **revitalization, priorities, and funding sources** that support the implementation of the Downtown Master Plan. Due to ever-evolving economic conditions and trends, it will be necessary to revisit this chapter over time. The tools and resources in this chapter are selected with an understanding that some amount of **long-term flexibility** is required to accommodate revitalization of downtown Tulare.

Revitalization will require both **public and private investment** and coordination as well as sustained effort from City staff to identify future opportunities for funding. Any public improvements should be carefully aligned with immediate needs and opportunities and should allow for private financing approaches whenever possible.



Welcome to Tulare mural

## Specific Actions

Strategy	Action Steps
1. Redevelop catalyst sites in the downtown	a. Identify catalyst intersections and/or buildings for targeted city investment including possible acquisition or public-private-partnerships (P3)
2. Foster community partnerships that attract quality businesses	a. Identify employer partner to bring workers downtown, creating daytime activity (such as College of the Sequoias, healthcare providers, call center, etc.) b. Continue to provide financial support in renovating building stock, particularly for desired uses such as restaurants
3. Support placemaking through mixed-use real estate	a. Update and enforce building codes to drive investment in deteriorating structures (or incentivize sales of those buildings) b. Partner with the Chamber of Commerce and property owners to create spaces for business incubator “graduates” to locate in downtown
4. Create a food incubator/indoor market in the downtown that supports local small businesses and the agricultural community	a. Identify organizational partners which can work with the City to support the development of a food incubator building.
5. Pursue creative funding resources and strategies	a. Consider land-based financing tools and public-private partnerships (CFD, EIFD, PBID) b. Continue to utilize and provide information on grant funding opportunities (e.g., Disadvantaged Communities investment program) c. Explore uses that can tap into federal funding tools



### Specific Actions

Strategy	Action Steps
6. Continue to pursue planning efforts in support of downtown revitalization	<div><div>a.</div><div>Construct the Olympian Square gateway arch and develop a plan for additional future gateway arch entries into downtown</div></div> <div><div>b.</div><div>Consider a Street Tree, Lighting, and Site Furnishing Master Plan for the downtown</div></div> <div><div>c.</div><div>Consider a Wayfinding and Signage Master Plan for the downtown</div></div> <div><div>d.</div><div>Consider a Downtown Pedestrian Facilities Plan which looks at extending the intersection and pedestrian improvements which were done on K Street into other areas of downtown (such as surrounding the renovated Zumwalt Park)</div></div> <div><div>e.</div><div>Consider a Downtown Bicycle Facilities Master Plan to identify connections and strategies for maximizing active transportation options to the downtown</div></div>



## Funding Sources

Specific funding for implementation items or projects in the downtown would be determined on a case-by-case basis and could be carried out through initiatives by the City of Tulare, property owners, businesses, associations, and the community. This list provides an overview of different funding sources that may be used in the implementation of the Tulare Downtown Master Plan. City staff will continue to monitor and pursue grant funding opportunities.

Funding Source	Description
Special Assessment Districts	Special assessments are non-ad valorem amounts levied on a per parcel basis that may encompass annual charges for a variety of items including charges for services, improvement district charges, 1915 Act special assessments, Mello-Roos community facilities district special taxes, other voter-approved special taxes, special benefit assessments, and fees.
Business/Property-Based Business Improvement District (BID)	A defined area within which businesses are required to pay an additional fee to fund projects within the District’s boundaries.
California Investment and Economic Development Bank	I-Bank’s Infrastructure State Revolving Fund (ISRF) Loan Program provides financing to public agencies and non-profit corporations for infrastructure and economic development projects.
Capital Improvement Projects	Includes identifying and securing funding, budgeting, scheduling, Planning, design, and construction management of city infrastructure projects. Managed by City of Tulare Engineering Department.
Community Facilities Districts (CFDs)	A special financing district formed by a local government agency or property owner that defines a geographic boundary for the purpose of funding various capital improvements and ongoing services within that boundary. CFDs require a two-thirds vote of property owners if there are no more than 12 registered voters living within the proposed district. More than 12 registered voters living in the proposed district requires a two-thirds vote of registered voters. The CFD can fund a multitude of capital projects including parks, schools, libraries, childcare facilities, and other public infrastructure improvements.



Funding Source	Description
Tax Increment Financing Districts (TIFDs)	Establishment of a TIFD requires support from policymakers and the local community. Tax increment is defined as the growth in property tax revenue, above a frozen base-assessed value, that existing taxing entities receive within a specific geographic boundary. Dependent on the TIFD, eligible uses for funds include transportation infrastructure, water and wastewater infrastructure, solid waste facilities, affordable housing, and community amenities.
Development Impact Fees (DIFs)	These types of fees are a monetary exaction, other than a tax or special assessment, that is charged by a local government agency to an applicant in connection with approval of a development project. The purpose of these fees is to defray all or a portion of the cost of public facilities related to the development project.
New Market Tax Credits (NMTC)	The NMTC Program incentivizes community development and economic growth through tax credits that attract private investment to distressed communities. Local entities such as Central Valley NMTC can be partners in community development.
Enhanced Infrastructure Financing District (EIFD)	SB 628 authorizes the creation of an Enhanced Infrastructure Financing District. The legislative body of a city may establish this district, adopt a financing Plan, and issue bonds to finance construction or rehabilitation of a wide variety of public infrastructure and private facilities upon approval by two-thirds of the community's voters.

Funding Source	Description
Low-Income Housing Tax Credits (LIHTC)	Approximately \$9 billion in annual budget authority from HUD is available to issue tax credits for acquisition, rehabilitation, or new construction of rental housing targeted to lower-income households.
Other funding sources including Local, State, and Federal Loans and Grants	<p>There are many regional, state, and federal programs that distribute grant funds for public improvement projects. Funds are typically awarded through a competitive process. These funding sources may fund affordable housing, public improvements, major street improvements, stormwater treatment areas, improvements to transit access, biking and walking paths, public plazas, and other public facilities. The following grants are provided as examples:</p> <ul style="list-style-type: none"> <li>Federal/State Regional Surface Transportation Program (RSTP) under the Surface Transportation Grant Program (STGP)</li> <li>Urban Greening Program under the California Natural Resources Agency</li> <li>Community Development Block Grant (CDBG)</li> <li>Home Investment Partnership Program (HOME)</li> </ul>



# PLAN APPROVAL

On May 21, 2024, Tulare City Council approved the adoption of the Tulare Downtown Master Plan dated April 16, 2024, with the inclusion of additional recommendations from Councilmember Sigala to assist with downtown revitalization efforts:

- The City of Tulare to consider contacting the Union Pacific Railroad (UPRR) to discuss the possibility of utilizing UPRR owned property for overflow downtown parking as needed during large events
- City staff to update the Downtown Parking map (p. 13) to include both public and private parking lots
- Consider the County of Tulare as another potential large employer/partner in the downtown
- Consider future policies and ordinances that further the Downtown Master Plan Update Goals and Objectives (ie. Prohibition on additional secondhand stores).

# Appendix



# TULARE DOWNTOWN MASTER PLAN

Real Estate Insights  
April 2023

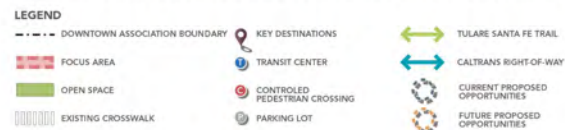


Economic & Planning Systems, Inc.  
*The Economics of Land Use*

# DOWNTOWN MASTER PLAN AREA



TULARE DOWNTOWN MASTER PLAN UPDATE - OPPORTUNITIES



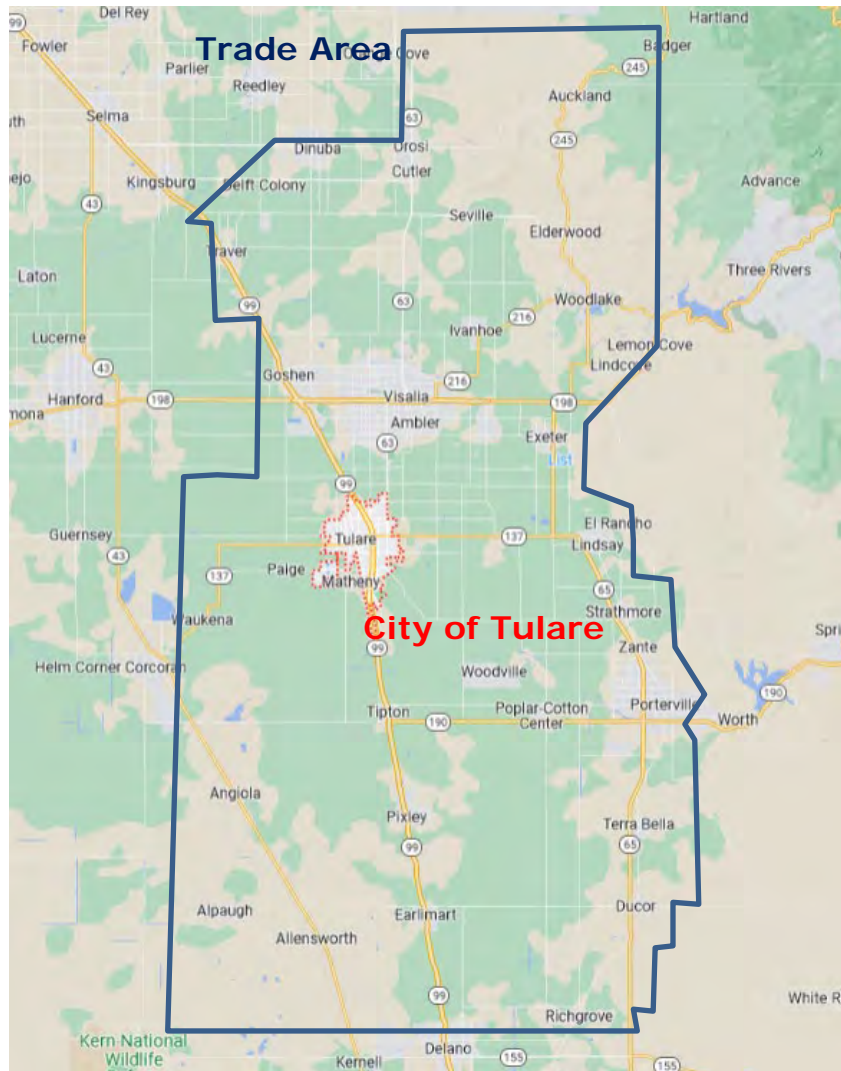
30-block area; ~170 acres

- North to Cross Ave
- South to Inyo Ave
- West to the railroad tracks just beyond J St
- East to O St

Notable locations include:

- City Civic Center
- Zumwalt Park
- Town Square,
- Sierra High School
- Public Library

# MARKET AREAS



- City of Tulare – provides context for local-serving uses and trends
- Trade Area – provides context for regional-serving uses and trends; includes:
  - City of Tulare
  - Visalia
  - Porterville
  - Dinuba
  - Exeter
  - Parts of western Tulare County

Source: Google Maps, EPS

# DOWNTOWN REAL ESTATE INVENTORY

Land Use	Number of Buildings	Avg. Year Built	Number Sold in Last 10 Years	Renovations in Last 10 Years	Rental Bldg. Area (sq. ft.)
Industrial	6	1978	3	0	96,659
Land Parcels	12*	-	6	Not Applicable	Not Applicable
Multifamily	6	1969	3	0	85,240
Office	72	1964	29	4	364,233
Retail	96	1952	37	0	558,949
Retail Neighborhood Center	4	1987	1	0	116,975
Retail (Strip Center)	5	2004	4	0	16,071
Specialty	6	1998	1	0	56,369
<b>Total</b>	<b>207</b>	<b>1962</b>	<b>83</b>	<b>4</b>	<b>1,294,496</b>

- Existing downtown building space consists primarily of office and retail uses
- Building stock is over 50 years old on average and few buildings have seen recent renovations

*\*Data for land is based on parcels, not buildings.*

Sources: CoStar, EPS

# OFFICE MARKET

Office Performance			
Category (as of Q4 2022)	Tulare Downtown	City of Tulare	Trade Area
<b>Performance</b>			
Market Rent per Sq. Ft.	\$17.02	\$18.79	\$20.62
Vacancy	2.5%	3.4%	2.9%
<b>Inventory</b>			
Buildings	72	192	1,234
Square Feet	364,233	925,193	7,142,363
Share of City	39.4%	-	-
Share of Trade Area	5.1%	13.0%	-
<b>Growth 2013- Q4 2022</b>			
Net New Inventory	-	61,317	417,063
% of Total Inventory	-	6.6%	5.8%
Share of Trade Area	-	14.7%	-

Sources: CoStar, EPS

- Minimal growth in the Downtown Tulare office market over the last 10 years—new office space is locating elsewhere in the City
  - City's office rents overall are lower than the Trade Area, but rents in the City's new office space outperform those in the Trade Area (\$25.50/sq. ft. vs. \$24/sq. ft.)
  - Downtown rents are cheaper than the City or Trade Area, but occupancy rates are similar
- Trends suggest that there is strong demand for office space in Tulare; Downtown could capture some of it with the right type of space and environment

# TULARE EMPLOYMENT

## City of Tulare Major Employers

Employer	Number of Employees	Percent of Total Employment	Industry
Tulare City School District	1,095	3.70%	Education
Saputo Cheese USA, Inc.	900	3.04%	Dairy/frozen food manufacturing
Tulare Joint Union High School District	718	2.43%	Education
Land O'Lakes, Inc.	486	1.64%	Dairy
Dryer's Grand Ice Cream	350	1.18%	Dairy/frozen food manufacturing
Adventist Health Hospital	289	0.98%	Healthcare
Lactalis Heritage Dairy	250	0.84%	Dairy/frozen food manufacturing
Walmart	215	0.73%	Department Retail
City of Tulare	214	0.72%	Local Government
U.S. Cold Storage of California	174	0.59%	Distribution

Source: Tulare Comprehensive Annual Financial Report, 2022

## Tulare County Major Employers

Employer	Number of Employees	Industry
Kaweah Delta Health Care	2,000	Healthcare
Sierra View District Hospital	1,800	Healthcare
Walmart Distribution	1,692	Distribution
College of the Sequoias	1,160	Education
Jostens	720	Paper Products
Cigna Health Care	700	Healthcare
Monrovia Nursery	600	Plant & Garden/Agriculture
VF Outdoor Inc.	400	Distribution
Blue Scope Steel, Butler Manufacturing	300	Manufacturing
NDS Inc	300	Engineering
International Paper	300	Paper Mill
Best Buy West Coast DC	260	Distribution
Beckman Coulter, Inc.	230	Biomedical Testing Equipment
Kawneer	200	Manufacturing

Source: Tulare County Economic Development Corporation

# RETAIL MARKET

Retail Performance			
Category (as of Q4 2022)	Tulare Downtown	City of Tulare	Trade Area
<b>Performance</b>			
NNN Rent per Sq. Ft.	\$11.88	\$12.36	\$15.85
Vacancy	8.0%	2.2%	2.3%
<b>Inventory</b>			
Buildings	105	368	2,178
Square Feet	691,995	3,850,324	19,843,044
Share of City	18.0%	-	-
Share of Trade Area	3.5%	19.4%	-
<b>Growth 2013- Q4 2022</b>			
Net New Inventory	3,000	89,391	803,749
% of Total Inventory	0.4%	2.3%	4.1%
Share of City	3.4%	-	-
Share of Trade Area	0.4%	11.1%	-

Sources: CoStar, EPS

- There has been little growth in the Downtown retail inventory in the past ten years
- Vacancy rates are higher and rents lower Downtown than in the City and Trade Area
- The Downtown retail market has remained stagnant over the last decade and offers little incentive for relocation or building enhancement
  - Rent levels likely reflect/promote certain tenant types currently prevalent in Downtown
  - However, more affordable rents can also provide an entry point for new small and local businesses

# MULTIFAMILY HOUSING UNITS

Multifamily Performance			
Category (as of Q4 2022)	Tulare Downtown	City of Tulare	Trade Area
<b>Performance</b>			
Average Rents per Unit	\$778	\$2,197	\$1,063
Vacancy	1.5%	2.3%	2.7%
<b>Inventory</b>			
Number of Buildings	6	65	481
Number of Units	86	2,197	14,262
Average Square Feet	561	908	884
<b>Growth 2013- Q4 2022</b>			
Net New Inventory Units	0	265	1,024
% of Total Inventory Units	0	12.1%	7.2%

Source: CoStar, EPS; No multifamily buildings have been constructed downtown since 2013 and only three multifamily buildings were built in the City of Tulare since 2013

- There are few multifamily units are within the Downtown area, with no new development within the past decade
- New multifamily development in the City overall occurring faster than in the Trade Area overall and is achieving higher rents. New units are primary located on the edges of the City away from the Downtown area
- Downtown average rents are significantly lower than the City and Trade Area, underscoring low demand for living Downtown, and therefore for developing housing Downtown

# SINGLE FAMILY HOUSING UNITS

**Single Family Housing Sales (2022)**

Location	Avg. Price	Avg. Sq Ft	Avg. Price/Sq Ft	Number of Sales
½ Mile Radius of Downtown	\$260,500	1,293	\$198	114
City of Tulare	\$330,000	1,475	\$221	625

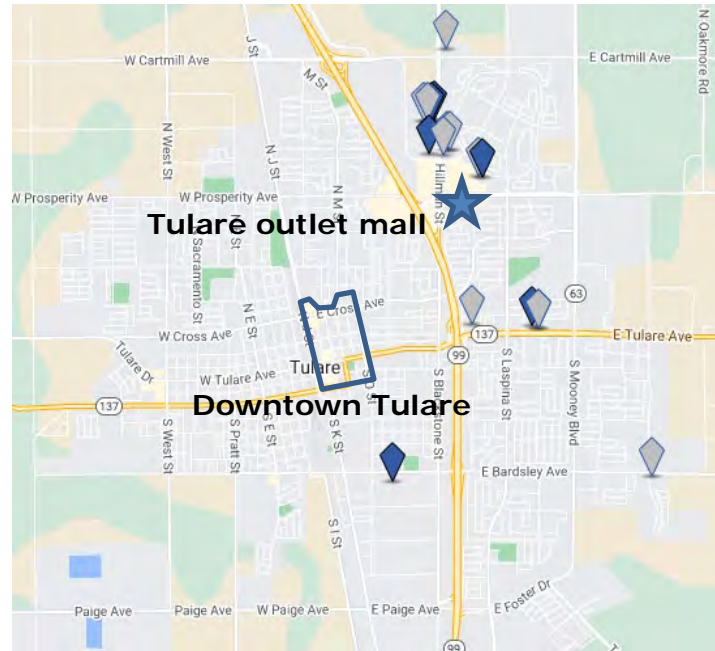
Sources: Redfin, EPS

- The City added nearly 2,300 single family units since 2010 – a 15 percent increase in inventory – mainly in the southwest, northeast and southeast portions of the City
- Average home prices in the City overall are significantly higher than prices for homes close to Downtown, likely a reflection of older and smaller housing stock in the City center
- As with multifamily units, lower sale prices for owner-occupied housing in and around Downtown reflect and reinforce challenges with new residential development in the area.

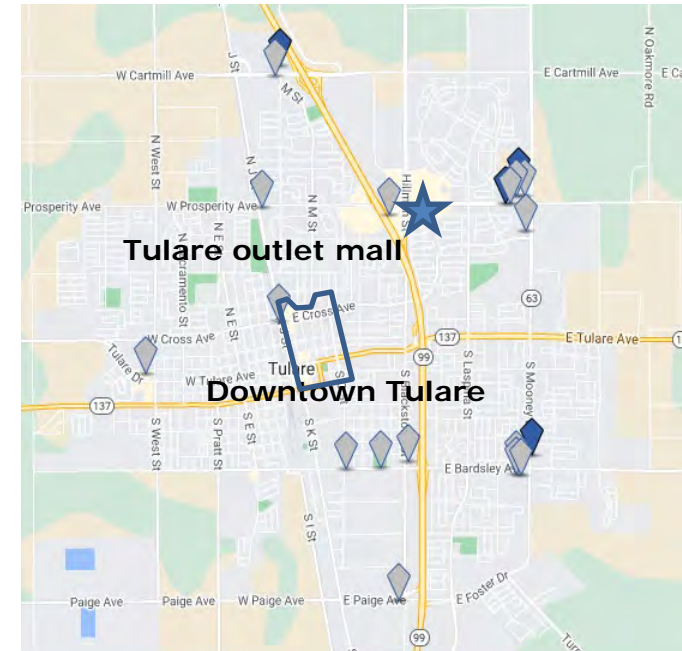
# PATTERNS IN NEW DEVELOPMENT

- Most new office development is clustered northeast of downtown by the Tulare outlet mall
- New retail development is clustered just east of the Tulare outlet mall
- Almost no new development has occurred downtown

New Tulare Office Bldgs since 2010



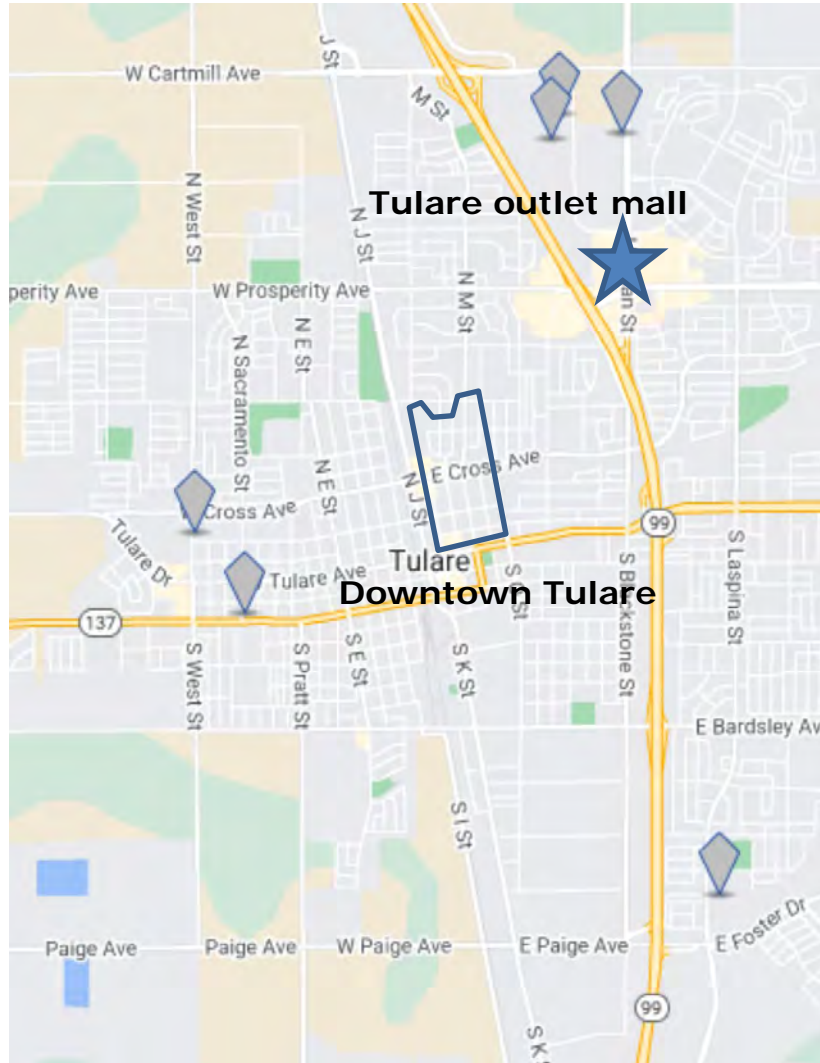
New Tulare Retail Bldgs since 2010



Sources: CoStar, EPS

# PATTERNS IN NEW DEVELOPMENT

New Tulare MF Bldgs since 2010



- All of the new multifamily residences were built or are currently under construction on the edges of the City, to the west and north of Downtown
- The most recent multifamily developments Downtown were built in 2004 and 2006

# TAKEAWAYS

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## **City's economic concentration differs from the County**

- Both the City and County have large employers in the healthcare and education sectors with healthcare being a more prominent employer in the County
- Major employers in the City are concentrated around agriculture and dairy, while the County has a stronger concentration in the distribution and manufacturing sectors

## **Downtown faces a weak real estate market**

- There has been nearly no new development in Downtown Tulare, with most new development occurring on the eastern edges of City and by the Tulare outlet mall
- The building stock in downtown is on average over 50 years old and has seen few renovations in the last decade

## **Downtown affordability is both an opportunity and a challenge**

- Cheaper office and retail rents offer an opportunity to attract new businesses, especially small and local businesses, but they also accommodating lower performing businesses
- Housing affordability near Downtown reflects its older vintage, which may not be as attractive to those seeking a “Downtown” lifestyle

# POTENTIAL STRATEGIES

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## **Find ways to attract quality businesses that appeal to residents and tourists**

- Identify employer partner to bring workers Downtown, creating day-time activity
- Continue to provide financial support in renovating building stock, particularly for desired uses such as restaurants

## **Support investment in a mix of land uses and in placemaking**

- Identify catalyst intersections/buildings for targeted City investment (including possible acquisition or P3)
- Update/enforce building codes to drive investment in deteriorating structures (or incentivize sales of those buildings)
- Partner with Chamber of Commerce and property owners to create spaces for business incubator “graduates” to locate in Downtown

## **Pursue creative funding resources and strategies**

- Consider land-based financing tools and public-private partnerships (e.g., CFD, EIFD, PBID)
- Utilize and/or provide information on grant funding opportunities, (e.g., Disadvantaged Communities investment program)
- Explore uses that can tap into federal funding tools, such as Low-Income Housing Tax Credits and New Market Tax Credits

# TULARE DOWNTOWN MASTER PLAN

Development Feasibility for Catalyst  
Concepts

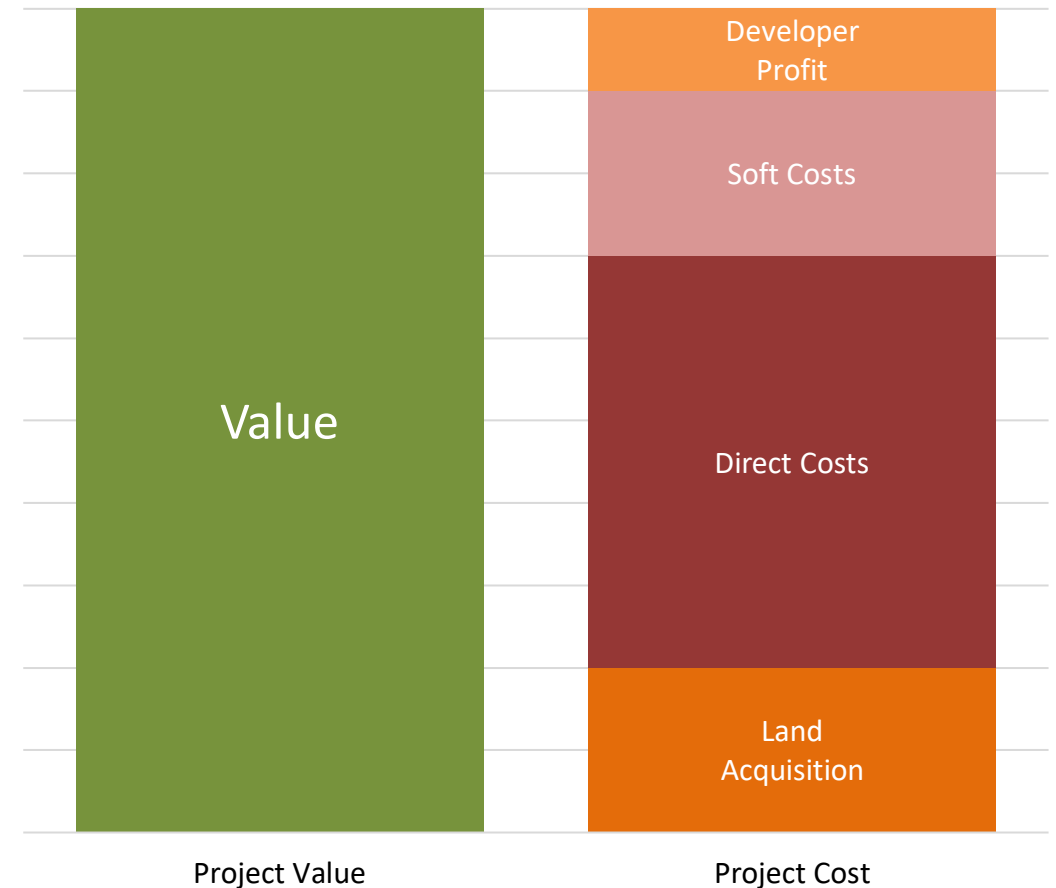
March 2024



Economic & Planning Systems, Inc.  
*The Economics of Land Use*

# DEVELOPMENT FEASIBILITY

- A feasible development provides a sufficient return on investment to incentivize a “go” decision
  - Value of development equals or exceeds the costs
  - Project generates competitive rate of return
  - Financial returns reflect project risks
- Why do we conduct feasibility analysis?
  - Confirm or challenge the likelihood of certain development types occurring
  - Identify elements of real estate development impacting feasibility, especially those within City’s purview



# FINANCIAL PRO FORMAS

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- Illustrative financial models, or pro formas, can simulate economic considerations by developers.
- Models are based on estimates for project costs and project revenues, using data for Tulare and Trade Area.
- Illustrative pro formas can demonstrate generalized business case for a development given how values compare to costs for a specific scenario under current market conditions.
- Illustrative pro formas do not account for willingness or motivation of individual property owners to pursue development, expertise or financial capacity of potential developers, or length of time and expense necessary to obtain entitlement.

# NIELSEN'S RESTAURANT SITE

Inputs	<u>Assumptions</u>	Residential	Office	Retail	Total Concept
<u>Program</u>					
Units or Square Feet		24	14,737	7,692	
Parking Spaces		46	42	35	123
<u>Development Costs</u>					
Construction Costs		\$4,901,175	\$3,868,538	\$2,019,038	\$10,788,750
Per sq. ft.		\$288	\$263	\$263	
Parking Costs	\$35,000 per space	\$1,610,000	\$1,470,000	\$1,225,000	\$4,305,000
Soft Costs	20% of hard costs	\$1,329,635	\$1,095,108	\$676,208	\$3,100,950
Impact Fees	2.5% of hard costs	\$166,204	\$136,888	\$84,526	\$387,619
Financing	3.4% of hard and soft costs	\$223,960	\$184,457	\$113,899	\$522,316
Developer Fee	4.0% of all costs	\$334,719	\$275,680	\$170,227	\$780,625
<b>TOTAL COST</b>		<b>\$8,565,694</b>	<b>\$7,030,670</b>	<b>\$4,288,896</b>	<b>\$19,885,260</b>
<u>Development Value</u>					
Gross Rental Income		\$359,328	\$290,909	\$216,150	\$866,387
Per sq. ft.		\$1.88	\$1.93	\$2.75	
(Minus Vacancy)	5.0% of gross revenue	(\$17,966)	(\$14,545)	(\$14,545)	(\$47,057)
(Minus Operating Expenses)		(\$125,765)	(\$5,818)	(\$5,818)	(\$137,401)
% of Gross Revenue		35.0%	2.0%	2.0%	
Total Annual NOI		\$215,597	\$270,545	\$195,786	\$681,929
Yield on Cost		5.50%	6.00%	6.00%	
<b>CAPITALIZED VALUE</b>		<b>\$3,919,942</b>	<b>\$4,509,090</b>	<b>\$3,263,106</b>	<b>\$11,692,137</b>
<b>FINANCIAL SURPLUS/(GAP)</b>		<b>(\$4,645,752)</b>	<b>(\$2,521,581)</b>	<b>(\$1,025,790)</b>	<b>(\$8,193,123)</b>

## Notes:

- Assumes City would pay for land acquisition and site preparation, and that project would use prevailing wage for construction labor.
- Rents are based on new projects across Eastern Tulare County, not only Downtown Tulare.
- No tenant improvement costs included in construction costs, as such costs are assumed to be minimal for this concept.
- Model is based on stabilized occupancy and does not account for costs associated with absorption period.

# NIELSEN'S RESTAURANT SITE

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**The following changes to model inputs for the Nielsen's Site concept have the potential to improve feasibility outcomes:**

- Lower construction costs
- Lower parking requirements (resulting in lower overall costs)
- Higher density allowance (resulting in increased efficiency)
- Fee waivers
- Higher market rents (as the market matures)
- Uses that can tap into wider range of funding sources (e.g., affordable housing)
- Cash contribution or other incentives from City

# 213 K STREET (THEATER SITE)

Inputs	<u>Assumptions</u>	Food Hall
Program Units or Square Feet Parking Spaces Required		10,000 64
<u>Development Costs</u>		
Construction Costs	\$225 per gross bldg. sq. ft.	\$2,250,000
Tenant Improvement Costs	\$25 per rentable sq. ft.	\$208,750
Soft Costs	20% of hard costs	\$511,750
Impact Fees	3.5% of hard costs	\$89,556
Financing	3.4% of hard and soft costs	\$86,902
Developer Fee	4.0% of all costs	\$129,878
<b>TOTAL COST</b>		<b>\$3,276,836</b>
<u>Development Value</u>		
Gross Rental Income	\$1.50 per rentable sq. ft.	\$150,300
(Minus Vacancy)	5.0% of gross revenue	(\$7,515)
(Minus Operating Expenses)	10.0% of gross revenue	(\$15,030)
Total Annual NOI		\$127,755
Yield on Cost		6.25%
<b>CAPITALIZED VALUE</b>		<b>\$2,044,080</b>
<b>FINANCIAL SURPLUS/(GAP)</b>		<b>(\$1,232,756)</b>

## Notes:

- No land or site costs are included in the analysis, as site is already owned and cleared.
- Assumes no new parking developed, and that patrons would use existing Tower Square parking.
- **Several model inputs can range significantly\* and impact overall feasibility, including:**
  - Tenant improvement costs: Depends on level of finish, utility needs, etc.
  - Achievable rents: Depends on target tenants (e.g., established restaurants vs. new businesses)
  - Operating expenses: Depends on level of operator involvement/programming

*\*Model attempts to illustrate a concept in the middle of the range.*

# SANTA FE RAILROAD TRAIL SITE

Inputs	<u>Assumptions</u>	Residential Total	Residential Per Unit
<u>Program</u>			
Site Acres		2.2	
Residential Units	1,350 gross sq. ft. per unit	44	1
Parking Spaces			
Tuck Under		92	2
Surface Parking		20	0.5
Total Parking		112	2.5
<u>Development Costs</u>			
Land Acquisition		\$45,000	\$1,023
Site Costs	\$10 per sq. ft.	\$984,213	\$22,368
Construction Costs	\$134 per sq. ft.	\$7,930,645	\$180,242
Surface Parking Costs	\$5,000 per space	\$100,000	\$2,273
Soft Costs	20% of hard costs	\$1,802,972	\$40,977
Impact Fees	\$14,872 per unit	\$654,381	\$14,872
Financing	2.7% of hard and soft costs	\$315,486	\$7,170
Developer Fee	4.0% of all costs	\$473,308	\$10,757
<b>TOTAL COST</b>		<b>\$12,306,005</b>	<b>\$279,682</b>
<u>Development Value</u>			
Gross Sales Revenue	\$223 per sq. ft.	\$13,246,200	\$301,050
(Minus Marketing & Commissions)	5.0% of gross revenue	(\$662,310)	(\$15,053)
<b>TOTAL VALUE</b>		<b>\$12,583,890</b>	<b>\$285,998</b>
<b>FINANCIAL SURPLUS/(GAP)</b>		<b>\$277,885</b>	<b>\$6,316</b>

## Notes:

- Land acquisition cost is based on most recent sale of the property and does not reflect current market value for land in the area.
- Sale prices are informed by sales of new homes across Eastern Tulare County, not only Downtown Tulare.
- Model is based on stabilized occupancy and does not account for costs associated with absorption period.
- Project as modeled appears economically feasible but increases in any factor—particularly land costs—would impact feasibility.



# Project Examples

## Food Market Examples





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SLO Public Market – 15k SF



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Oxbow Public Market, Napa – 40k SF



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Liberty Station Public Market – 22k SF



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Glendora Public Market – 18k SF



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Los Angeles Original Farmers Market – 25K SF



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Anaheim Packing House – 40k SF



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Sawmill Market Albuquerque – 34k SF



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Los Angeles Grand Central Market – 30K SF



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San Francisco Ferry Building – 65k SF

Food  
Incubator  
Examples





La Cocina San Francisco

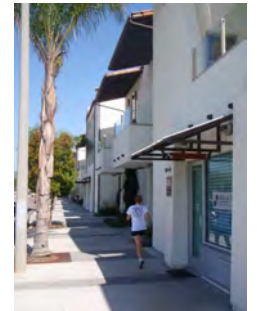


Square Kitchen SLC



Flavors from Afar Los Angeles

## Mixed-Use Examples





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Mission Hills Commons, San Diego



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Kensington Terrace, San Diego



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South Brea Lofts, Brea



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877 Palm, San Luis Obispo