



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: January 29, 2026

TO: Mayor and Councilmembers

FROM: City Administrator's Office

SUBJECT: Retail Symposium

RECOMMENDATION: That Council receive a presentation from California retail experts about the current state of retail in California, how high-quality public spaces shape the retail experience, and strategies to attract a diverse customer base to downtown Santa Barbara.

DISCUSSION:

The City Council will participate in the City's first retail symposium, which will provide an overview of current retail trends in California and best practices for creating a successful downtown retail environment. The symposium will feature the following speakers:

- Rachel Michelin, President, California Retailers Association
- Rick Lemmo, Senior Vice President, Caruso Properties
- Mark Ingalls, Property Manager, Camino Real Marketplace, Goleta

Purpose for the Symposium:

The overall purpose of the retail symposium is to share how retail has evolved in recent years, what drives successful retail districts today, and what considerations may be most important for Santa Barbara as the City advances downtown revitalization efforts. This information will support Council's broader policy direction related to improving economic vitality, strengthening downtown as a destination, and aligning public space investments with desired retail outcomes.

Event Overview:

The symposium will include a series of short presentations and discussion focused on retail trends and practical considerations for tenant attraction and retention:

- Rachel Michelin will provide a statewide and regional overview of retail trends, including key shifts in the retail landscape since 2018.
- Rick Lemmo will share insights from Caruso Properties, including tenanting strategies, retail mix considerations, and approaches for attracting and serving a broad customer base.
- Mark Ingalls will provide a local market perspective and share trends observed in Goleta and the South Coast region, including strategies property owners use to attract and retain retail tenants.

Discussion topics are anticipated to include:

- Retail strategy considerations for State Street and Downtown Santa Barbara, including retail mix, target tenants, and what differentiates Santa Barbara from other retail environments
- Statewide and regional retail trends impacting California communities
- How high-quality public spaces—such as landscaping, maintenance, amenities, and “concierge-level” management—shape the retail experience and influence performance
- How retail destinations are curated to create a welcoming and successful environment for a wide range of customers

Background and Relationship with Current City Initiatives:

The retail symposium directly supports Council’s consideration of major downtown planning and revitalization initiatives currently underway, including the State Street Master Plan and redevelopment proposals in the Paseo Nuevo area.

This Retail Symposium is intended to provide a broad, informational discussion regarding downtown revitalization strategies and the City’s long-term economic vitality. Topics that may be discussed include, but are not limited to, general retail trends, economic conditions affecting downtown, and high-level considerations related to areas such as State Street and the Paseo Nuevo redevelopment.

No decisions will be made, no direction will be given to staff, and no formal action will be taken by the City Council on any specific project, proposal, or policy at this symposium. Any future consideration of specific actions or direction related to these topics would occur at a duly noticed public meeting in compliance with the Brown Act.

Paseo Nuevo Redevelopment Context

Council previously reviewed a proposed redevelopment concept in the Paseo Nuevo area (Ortega Street to Canon Perdido Street) that included:

- Demolition of the former Macy’s building and construction of approximately 233 rental housing units, and

- A re-tenanting strategy and new retail vision for the in-line retail shops, including a small grocery concept at the corner of State Street and Ortega Street.

State Street Master Plan

The State Street Master Plan is a long-range planning document currently being finalized to guide the future of State Street (Gutierrez Street to Sola Street). The Master Plan will address streetscape design, public realm improvements, and potential long-term transportation configurations, including considerations for when and if vehicles may access portions of the corridor.

While transportation planning is an important component of the Master Plan, economic development and housing are also major policy considerations. The symposium is intended to provide Council with relevant industry context regarding retail performance, tenant mix, and successful downtown environments, which can help inform decision-making as the Master Plan is finalized.

Economic Development Request for Proposals (RFP)

The City plans to issue a Request for Proposals (RFP) in 2026 for development of a comprehensive Economic Development Plan. A citywide retail strategy—encompassing the downtown core, the Waterfront, and other key commercial areas—will be a central component of the Plan and will help inform future policy and investment.

Next Steps

To support the discussion on January 29, 2026, staff requests that each Councilmember submit two questions regarding retail in Santa Barbara. Questions should be emailed to Tess Harris at THarris@SantaBarbaraCA.gov no later than Monday, January 26, 2026, and will be used to help shape the facilitated discussion.

BUDGET/FINANCIAL IMPACT:

There is no direct cost associated with the Retail Symposium. The information and perspectives provided through the symposium will support City Council's understanding of current retail trends and the factors that contribute to successful retail districts. This insight will help inform ongoing downtown revitalization initiatives and long-term planning efforts intended to strengthen economic vitality in Downtown Santa Barbara.

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APPROVED BY: Kelly McAdoo, City Administrator