

Is Santana Row, San Jose, a Successful Mixed-use Development?

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Abstract

Urban areas perform many functions for their inhabitants and those that use them. These include housing, employment, access to goods and services, cultural activities and social interaction. To provide for and support these functions, urban areas have many different static elements such as buildings, infrastructure, green space, abandoned and derelict land, as well as dynamic elements such as transport, water, air, and waste.

The way land is used in an urban area is fundamental to a town or city's character, its environmental performance and the quality of life it provides for its citizens. Poor land use decisions can create urban areas that are unattractive to live in and can produce unsustainable settlement patterns.

There has been a growing realization that overemphasis on zoning and segregation of land uses was more in keeping with "neatness" in planning and had little to do with the "livable character" of a community. Increasingly the stress is on compact and multi-use development.ⁱ

Mixed-use development has become an attractive approach, especially in towns and villages where jobs, services and transportation are most available.ⁱⁱ It can be safely said that mixed-use is now a central principle of smart growth along with compact form, walkable neighborhoods, and transportation choices, housing choices, sense of place, open space protection and community collaboration.ⁱⁱⁱ

Mixed-use developments are characterized by 3D's^{iv}, which have been further modified to 5D's as follows:

- **Diversity:** Mix of residential, retail and employment land uses on the site
- **Density:** Residential and non-residential development per acre
- **Design:** Unique design blend of commercial and residential
- **Destination Accessibility:** Context, or adjacency to compatible land uses
- **Distance to Transit:** Opportunities for residents, shoppers and employees to use transit

In this paper, I propose to use the example of an arguably successful mixed-use development: Santana Row, San José, California. The key factors to be analyzed in this paper are urban form and lifestyle, economic advantages, and governance and planning. While there is no exact way of measurement of success or failure of the various dimensions of new urbanism and smart growth, previous case studies and analysis of on-site data has been used to determine the success factors.

Santana Row-Project Description

Santana Row is a mixed-use urban village comprising of residential units, retail stores, movie theatres, spas and salons, restaurants, bars and hotels. It was built by Federal Realty on a greyfield site to meet the demand in Silicon Valley for high quality rental housing and high end

retailers. Santana Row has become the go-to spot for many young professionals looking for up-market shopping, a vibrant restaurant scene, a buzzing nightlife and most importantly, a convenient place to live. The three different components of this development are:

1. **Retail** - Santana Row offers 70 retail shops and 9 spas and salons which include some of the most prestigious brands like Anthropologie, Crate and Barrel, Pink Stripes, Burberry, Oakley, Salvatore Ferragamo, Ted Baker, Blue Jeans Bar, Urban Outfitters, Diesel and Vera Bradley.
2. **Residential** – Santana Row has 1,201 dwelling units, rich textured buildings crafted with precision. The dwelling units are luxurious providing the finest floor coverings, fixtures and contemporary designer accents. The following three types of residential units are available:
 - **Flats:** One level flats with floor plans ranging from one bedroom and one bathroom units to three bedroom and two bathroom units. Provision of underground garage with elevator access to their building.
 - **Town Homes:** Three-story town homes with private balconies and attached two-car garages. Floor plans range from two-bedroom, and two-bathroom units to four-bedroom and four bathroom units with den.
 - **Villas:** Three level luxury villas are the largest and most expensive units. Floor plan has three bedrooms and three and half bathroom units.
3. **Restaurants/Hotels** – Santana Row has 20 full service restaurants, 9 bars and 2 hotels. Hotel Valencia is the luxurious hotel in the project.

The success indicators are derived from the characteristics of other successful mixed-use projects nationwide. These include Urban Form and Economic Advantages. These characteristics, which also show a strong presence at Santana Row, are as follows:

Urban Form

Urban Form is a key component in creating an urban environment, which helps build a successful mixed-use development project. While good architecture and landscape help create a quality built environment, it is their interrelationship (combined with human activity) that bolsters urbanity. Santana Row sets a very good example of strong interrelationship between the architecture, landscape and human activity. The elements of urban form that are present in Santana Row in a broader sense constitute the following:

1. **Density:** Contemporary urban development is dominated by single family housing on large lots. Measures of development density that measure urban form are:
 - a. **Density = Number of residential units / Project area in acres**

Check-The higher the ratio, the higher the density
Number of dwelling units = 1,201 units

Total Acres = 15.61 acres
Hence, Density = 1,201 / 15.61
= 76.94 units / acre

Table 1: Santana Row Density Table

Rooms - Type of Dwelling Unit	Floor Space (square feet)
1 Bed / 1 Bath	805-899
2 Bed / 2 Bath Townhouse	1,228
2 Bed / Den Townhouse	1,457
2 Bed / 2 Bath Flat	1,195
3 Bed / 3 Bath Flat	1,611
4 Bed / 4 Bath + Den Town home	2,271
Median	1,342.5

Source: www.santanarowapts.com

b. Floor Space = Median floor space of multi-family dwelling unit

Check-The smaller the floor space the higher the density
The median floor space in Santana Row housing units is 1,342.5 square feet.

2. Grid and Small Blocks: Santana Row has small blocks and grids which encourage interaction between different uses of land. As author, Kevin Lynch states in his book, *The Image of the City*, “Nothing is experienced by itself, but always in relation to its surroundings.” The small blocks increase pedestrian circulation as illustrated by Figure 1.

a. Walkable neighborhood and human scale- All the activities along the main street of Santana Row are oriented such that they face the street. This design feature strongly encourages pedestrian environment and gives a sense of safety for its users. The sidewalks in Santana Row are wide and include benches and furnishings, beautiful landscaping, are visually interesting and convenient.

Figure 1: Pedestrian Circulation at Santana Row



Source: Photo adapted from Federal Realty, San Jose

The pedestrian streets are designed in such a manner that they tend to be the main civic space in the neighborhood. Housing units, retail stores, human activities, events, and open restaurants all have been oriented to the street encouraging a walkable neighborhood. Figure 1 gives an idea of heavy foot traffic activities on the main street of Santana Row.

Compact and walkable neighborhoods offer benefits to our health, environment and communities. It has been proven over time that increased walkability reduces green house gas emissions, increases social capital, supports stronger local businesses and provides more transit options. The streets in Santana Row are accessible, well connected, built for the right speed and comfortable.

- b. Walk score:** The walk score calculates the walkability of a location based on the distance from the nearby amenities. It is just an approximation of walkability. The walk score is a number between 0 and 100. The walk score awards points based on the distance to the closest amenity for each of multiple classifications. The maximum number of points is for the closest amenity within 0.25 miles, the number of points decline as the distance approaches one mile. No points are awarded for amenities further than one mile. The guidelines for interpreting the walk score of a neighborhood as stated on the website www.walkscore.com are as follows:
- i. **90–100 = Walkers' Paradise:** Most errands can be accomplished on foot and many people get by without owning a car.
 - ii. **70–89 = Very Walkable:** It's possible to get by without owning a car.
 - iii. **50–69 = Somewhat Walkable:** Some stores and amenities are within walking distance, but many everyday trips still require a bike, public transportation, or car.
 - iv. **25–49 = Car-Dependent:** Only a few destinations are within easy walking range. For most errands, driving or public transportation is a must.
 - v. **0–24 = Car-Dependent (Driving Only):** Virtually no neighborhood destinations within walking range. You can walk from your house to your car!

Figure 2 depicts the walk score for Santana Row. Walk Score for Santana Row: 92 out of 100 – *Walkers' Paradise*.

Figure 2: Walk Score for Santana Row



Source: Graphic developed by the author using www.walkscore.com

Walk score calculated as per the website walkscore.com, shows the distances from nearest grocery stores, restaurants, movie theatres, parks, libraries, schools and fitness centers. The proximity to most of these places gives Santana Row a high Walk score.

- 3. Architecture and Landscape:** Santana Row has European architecture. Architects and designers were sent to France and elsewhere in Europe to source ideas before blue prints were drawn up. Several architects were contracted to work on different buildings to maintain the variety and uniqueness of architectural styles. There were imports such as

fountains from Barcelona, grassy plazas, fragments or iron works and distressed stucco from Tunisia and Italy, and Guadi-esque pillars encrusted with broken tiles^v. The façade (see figure 3) of a French chapel was affixed to the front of a wine bar. The human activity is enhanced by the architecture and open mall style; it has mature oak trees, a fire pit, chess tables and music.

Figure 3: Italian Façade



4. Connectivity and Movement: Santana Row fares good on connectivity and movement. Santana Row is located at the intersection of 6-lane roads, somewhat setting it apart from the neighborhoods on the other side. Architects and designers attempted to plan the project on a fine-grained New Urbanist grid with most of the parking lots hidden in the interior of blocks behind retail and residential buildings.

5. Public Spaces/Open spaces: Open space means different things to different people.^{vi} Urban open spaces are a key component of mixed-use projects. Santana Row has open spaces with a wide variety of activities which help residents and visitors come together in a way that creates a sense of place, community and social interaction. The human scaled chess, the open air bars, the recreational places and centralized open spaces are the different open spaces at Santana Row. The open spaces help increase active and passive recreation in the development.

Economic Advantages

With a prime location in a key market and large shopping traffic, Santana Row offers many economic advantages. According to data provided by Federal Realty, Santana Row had 97% occupancy of its residential units in 2008.

Table 3: Santana Row Economic Indicators

Residential On Site	Average Occupancy	Estimated No. of residents
514 units	97%	1,082

Source: www.santanarowapts.com

The area and rents by types of dwelling units in Santana Row are as shown in Table 4:

Table 4: Santana Row Residential Quick Facts

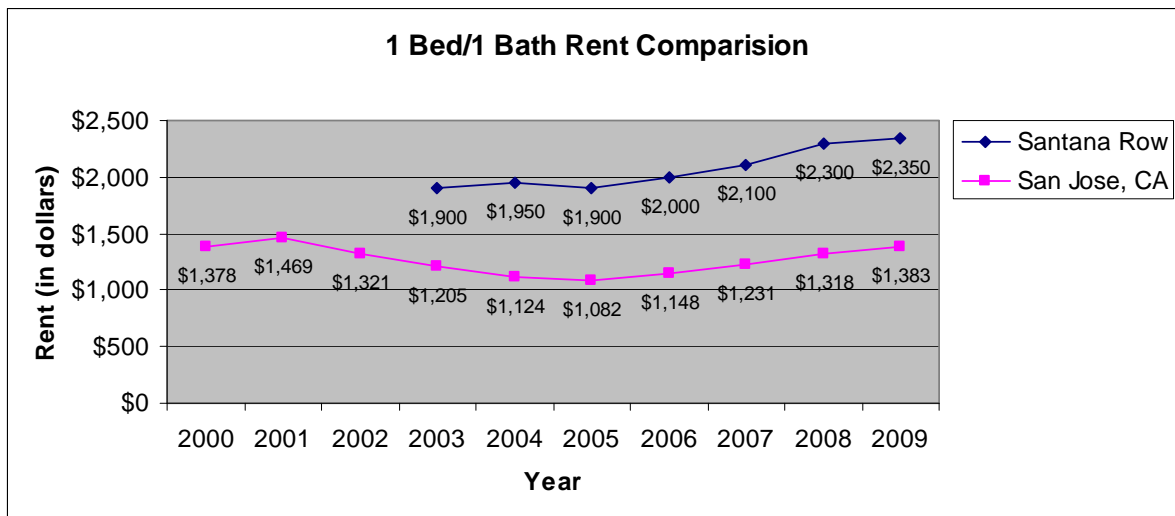
Rooms - Type of Dwelling Unit	Rent	Area in Square Feet
1 Bed / 1 Bath	\$1971 – 2,700	805-899
2 Bed / 2 Bath Townhouse	\$2,544-3,300	1,228
2 Bed / Den Townhouse	\$2,999-3,750	1,457
2 Bed / 2 Bath Flat	\$2,452-3,300	1,195
3 Bed / 3 Bath Flat	\$4,050-4,300	1,611
4 Bed / 4 Bath + Den Town home	\$5,525-5,600	2,271

Source: www.santanarowapts.com

- Federal Realty’s Sweetnam says Santana Row is commanding rents that are about 20 percent higher than those for similar luxury units in the market, with large studios renting for about \$1,850 and two-bedrooms for \$3,300.
- Santana Row has more than 500,000 square feet of retail space, of which 443,758 square feet was built as part of the first phase. This phase was nearly 85 percent leased and 73 percent occupied by October, 2008.
- Leasing Agent: Santana Row has a higher price point with apartments averaging at \$4,000-\$5,000 per month. The leasing agent said, “For most of the people that live here, this is their weekend home.”

The leasing agent reported that the stiffest competition for luxury rentals comes from 60 miles north in San Francisco. Thus, the mixed-use development has carved a niche market for itself. A comparison of the rents of residential units with 1 Bed/1Bath in Santana Row and San José area are shown in Figure 4:

Figure 4: Comparison of Rents in Santana Row and San Jose During Recent Years



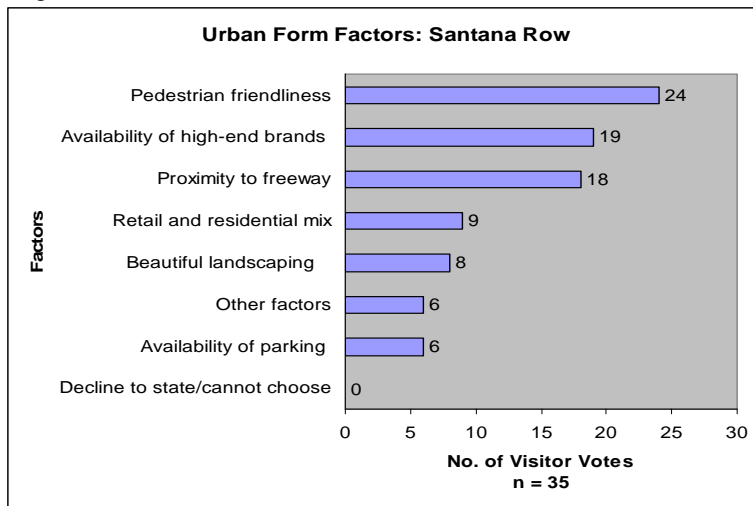
Source: Graph developed by report author using data obtained from the Office of Economic Development, City of San Jose.

On-Site Surveys

On site interviews were conducted with 35 visitors to Santana Row. A brief description of the results is presented in the graphs and analysis below:

- A. Urban Form:** The hypothesis of this project states that, Santana Row promotes urban form that is attractive, livable, memorable and sustainable. Santana Row creates an urban experience which in itself is a product of many ingredients including the urban form, diversity of people, activities, uses, architecture, the amenities, open spaces and other visual stimuli that mixed-use developments can offer along with rich public life.

Figure 5: Urban Form Factors: Santana Row

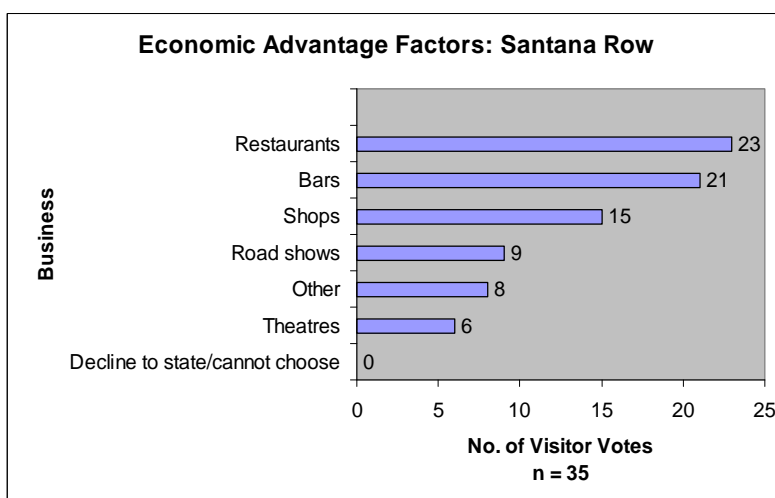


Survey Result: A majority of the visitors responded with *Pedestrian friendliness* as the key factor in making the project a success. The other two factors which scored high votes were *Proximity to freeway* and *Availability of high end brands*. Other factors were beautiful landscaping and parking availability. Figure 5 conveys the perception of the visitors at Santana Row.

Source: Graph developed by report author using data from survey results.

- B. Economic Advantages:** Santana Row provides the retailers a ready-made market, and the buyer's products/services within easy reach. Proximity to shops and neighborhood stores promotes a local economic base and a sense of community. It also provides opportunities to private businesses and investors to diversify. This question was to get an idea of the most popular businesses people visit while visiting Santana Row.

Figure 6: Economic Advantages: Santana Row

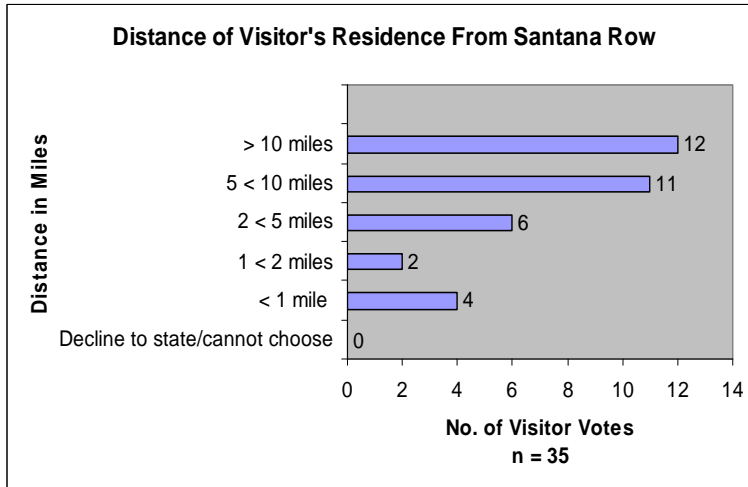


Survey Result: A majority of the visitors responded with *Restaurants* as their most visited choice of all the businesses in Santana Row. The other two factors which scored high votes were *Bars* and *Shops*. Amongst the other attractions were *Road shows* and *Theatres*. The popularity of the bars and eateries is also evident from the viewpoints presented by Santana Row groups on websites like Facebook and Twitter.

Source: Graph developed by report author using data from survey results.

C. Proximity to the Project: The idea behind collecting this information was to see if people were willing to drive to come and enjoy the various land uses at Santana Row. From the survey it is clear that the visitors do come from fairly long distances to enjoy the ambience and participate in the activities at Santana Row.

Figure 7: Distance of Visitors' Residences from Santana Row

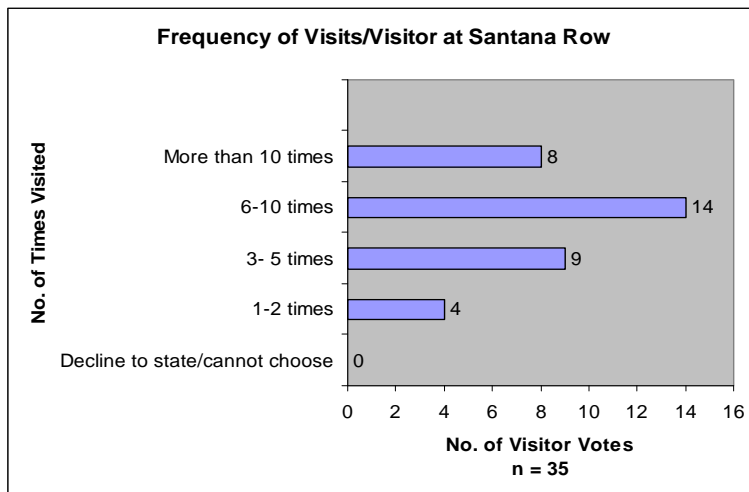


Source: Graph developed by report author using data from survey results.

Survey Result: A majority of the visitors traveled more than five miles to visit Santana Row. There were 11 people who traveled five to ten miles and six people within one to five miles range.

D. Frequency of Visits/Visitor at Santana Row in the last 12 months: This question was posed in order to understand the 'loyalty' of the visitors, the frequency of visits in a given period of time. The answers help establish the popularity of Santana Row amongst its patrons.

Figure 8: Frequency of Visits/Visitor, Santana Row

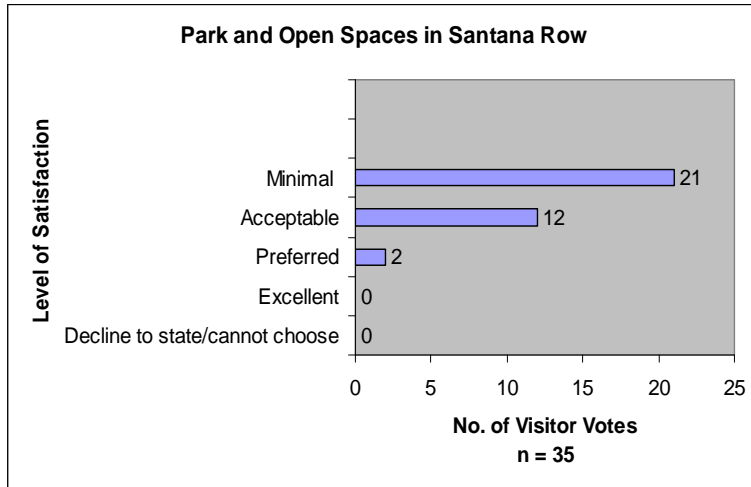


Source: Graph developed by report author using data from survey results.

Survey Result: Majority (14 visitors) of the 35 surveyed visitors visited Santana Row between – six to ten times in a year. Eight visitors had visited Santana Row more than ten times in the last 12 months and nine visitors had visited between three to five times. Mixed-use projects show higher frequency of trips made because of the diverse activities at the project.

E. Mini Parks and Open Spaces: Santana Row has successfully integrated both mini parks and open spaces with the buildings. The common areas in the project are important design features that help in “place making”. Even though open spaces do not pay rents, the stores near them have increased sales.^{vii} For visitors these open spaces allow for active and passive recreation as also allow greater opportunity to mingle with the crowd.

Figure 9: Parks and Open Spaces, Santana Row



Survey Result – Obviously the visitor expectations have not been met on this count. However the earlier mentioned open spaces do attract mention in the responses of the visitors. Visitors are not very impressed with the open spaces in the development, with none of the visitors claiming them to be excellent and only two giving them a preferred rating. Figure 9 shows the results of the open space question in the survey.

Source: Graph developed by report author using data from survey results.

Conclusion

Mixed-use Development: Key Success Factors

Mixed-use development as mentioned above is the way forward for any major urban development and more so for in-fill development. For planners, administrators and real estate developers, this provides a hedging strategy by allowing for diversification between different uses that reduces risk for the investment and maximizes the outcomes.^{viii}

Focusing new housing and commercial development within already developed areas requires less public investment in new roads, utilities and amenities. Investment in the urban core can reduce crime, promote affordable housing and create vibrant central cities and small towns. Planners and city officials need to promote mixed-use development through development plans, application of policies in a flexible manner, and work in conjunction with developers and investors to make the projects.

Based on the literature reviewed, interviews and surveys, and secondary data collection, it can be proven that mixed-use developments do improve quality of life and economic vitality of a place. The results of this paper clearly point to a number of success factors that enjoy consensus.

Increasing densities not only improves air and water quality and protects open spaces but also redirects investments to our existing towns and cities. It can revitalize existing communities and create more walkable neighborhoods with access to public transit and hiking and biking trails. Pedestrian friendly higher density developments offer general health benefits as well. Mixed land uses gives people the option to walk and bike to work, shops, restaurants and entertainment. The

strongest evidence supporting mixed-use developments are the fiscal benefits and the enhancement of economic performance. Denser communities reduce infrastructure and service costs by considerable amounts. Therefore mixed-use developments can be beneficial, especially in this current time of recession when governments, municipalities and regions are under increased pressure to reduce costs and re-energize slumping economies.

The productivity, prosperity and equity benefits of compact developments are very evident from this project research.

Synergy in a mixed-use project plays a very crucial role in its success and it can be achieved if:

- Each use is able to generate revenue from the other uses on the site
- Each use is an amenity for other uses
- The combination of uses provides a place for supply to meet existing, unfulfilled demand in the geographic market area. Moreover, it could be a catalyst to redevelop a blighted area which increases the future level of demand. It could be a “town center” for a suburban community which will attract consumers from further distances. It could be a starting point for additional development projects.

Planners should approach mixed-use development as a tool for smart growth, with an understanding of what works and what doesn't based on evidence rather than ideology. Market analysis is important in determining demand and supply positions of each use.

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ⁱⁱ National Association of Home Builders. *Mixed-use and Compact Development*.

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ⁱⁱⁱ Guidelines and Principles for mixed-use developments, August 12, 2006,

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^{iv} Robert Cervero and Kara Kockleman, “Travel Demand and the 3D’s: Density, Diversity and Design,” *Transportation Research D* 2, no. 3 (1997): 216.

^v As told by Federal Realty and Financial Times of London 12-13-08

^{vi} Douglas R Porter, ULI, *Making Smart Growth Work*

^{vii} Comment made by Brian Jones in Hazel, Debra, “Multi-Dimensional Retail,” *Chain Store Age*, August 2006, 35

^{viii} Leland Consulting Group, “Focused Growth Alternatives,” <http://lelandconsulting.com/>.