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City of Marina

Real Estate Market Analysis & Site Assessment



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Executive Summary

The City of Marina is undergoing significant retail and economic growth, driven by rising household numbers, increasing consumer demand, and strategic development projects. This market study evaluates Marina's retail landscape, identifying strengths, challenges, and opportunities for expansion. Marina's retail market benefits from stable occupancy rates (97.6%), a low vacancy rate (2.4%), and strong demand for retail space, as reflected in a 383.9% increase in net absorption over the past year. However, retail leakage to neighboring cities such as Monterey, Seaside and Salinas underscore the need for a diversified retail mix to capture local spending, as well as attracting consumer spending of residents of nearby communities (Monterey, Seaside and Salinas).

This report analyzes the city's overall retail environment, along better understanding two prime retail development sites—Marina Landing (anchored by a Walmart Supercenter) and The Dunes (6.15-acre property)—to determine their best use and economic viability. Additionally, it examines Marina's dining scene, sales tax revenue distribution, and competitive position relative to nearby cities. With strategic planning, investment, and a focus on retail diversification, experiential shopping, and destination retail, along with better understanding gap analysis possibilities. Marina can strengthen its local economy, reduce sales leakage, and enhance its appeal as a commercial hub.

Introduction

This Market Study, prepared by HdL ECONsolutions, provides a comprehensive analysis of the City of Marina's retail landscape, examining market demand, competitive positioning, development opportunities, and economic trends. The goal is to provide data-driven insights and strategic recommendations that support business attraction, investment decisions, and long-term commercial growth.

The study includes:

- Retail Gap Analysis: Identifying sectors with unmet consumer demand.
- Site Assessments: Evaluating two prime retail development locations.
- Competitive Market Comparison: Benchmarking Marina's retail sector against Monterey County and California.
- Sales Tax Revenue Distribution: Analyzing Marina's economic reliance on top businesses.
- Dining and Consumer Behavior Trends: Understanding the role of food and beverage establishments in local economic activity.

By leveraging these insights, Marina can implement targeted strategies to attract retailers, improve commercial offerings, and enhance its economic sustainability.

Purpose of Market and Site Assessment

A Market and Site Assessment evaluates economic and demographic factors that influence the viability and best use of commercial, retail, or mixed-use development sites. This analysis provides critical insights for investors, developers, and city planners to determine market demand, competitive positioning, and potential returns.

Key Areas of Analysis

1. Retail Market Performance
 - Evaluating sales trends and consumer demand in Marina.
 - Comparing sales tax revenue distribution among Marina, Monterey, Salinas, and Seaside.
 - Identifying opportunities for retail expansion.
2. Demographic and Economic Trends
 - Assessing population growth, household income levels, and spending behavior.
 - Understanding how workforce and student populations impact consumer demand.
 - Examining infrastructure improvements and their effect on retail accessibility.
3. Retail Void Analysis
 - Identifying underrepresented retail categories and market gaps.
 - Comparing Marina's retail mix to Monterey County and California.
 - Recommending businesses and retail concepts that fulfill unmet consumer demand.
4. Site-Specific Considerations
 - Marina Landing (Adjacent to Walmart): High-traffic location with opportunities for fast-casual dining, personal services, and convenience retail.
 - The Dunes (6.15-Acre Site): Prime mixed-use development opportunity with demand for boutique retail, specialty grocery, and student-focused good and services.
 - Downtown/Central Marina: Create a town Center environment for Marina through Downtown Vitalization Specific Plan by redeveloping, repositioning and/or enhancing long-time established shopping centers, as well as developing new residential opportunities and mixed-use projects in the city's central core area.
5. Competitive Market Positioning
 - Analyzing how Marina competes with neighboring cities in retail, dining, and entertainment offerings.
 - Evaluating the role of Cal State Monterey Bay (CSUMB) students (over 7,700 students) in local spending patterns.
 - Providing strategies to strengthen Marina's commercial identity and reduce retail leakage.

Strategic Importance

By understanding these market dynamics, developers can make informed investment decisions, and city planners can implement policies that attract a balanced retail mix to support long-term economic sustainability.

Trade Area Overview

When performing a retail assessment, it is important to define the area you are evaluating. While this study is focused on the City of Marina marketplace, it is also important to remember that a retail market extends beyond municipal boundaries and spills into nearby communities.

Developers, real estate professionals, and potential new businesses place value on factors like population density, demographics, traffic volume & traffic flow patterns, and competition from other retail locations when looking to expand and/or invest in new locations or to develop new projects. This market study will examine the make-up of the consumers and the retail marketplace within Marina and its trade area.

Retail Real Estate Market Analysis

The retail real estate market in Marina continues to demonstrate stability and growth, with key indicators reflecting strong occupancy rates and increasing lease rates. The demand for retail space remains consistent, driven by new residential developments and a growing population. Data from CoStar provides a detailed overview of market performance, highlighting trends in inventory, vacancy, absorption, and sales.

Inventory and Vacancy Rates

The total retail inventory in Marina exceeds 1 million square feet, marking a 2.9% increase from the prior period. This growth reflects ongoing development and the city's ability to attract new retailers. The current vacancy rate stands at 2.4%, slightly higher than the previous rate of 2.0% but still below the regional average. This suggests that demand remains strong, with businesses actively seeking retail locations in Marina. The overall occupancy rate remains solid at 97.6%, with 98.2% of retail space currently leased, indicating minimal underutilized space in the market.

Available Space and Lease Rates

Retail space availability in Marina remains relatively limited, with approximately 25,400 square feet of vacant retail space and an overall availability rate of 2.0%. This low availability suggests that Marina's retail market is competitive, with new businesses facing limited options for entry. Lease rates have continued to climb, with the average asking lease rate now at \$2.95 per square foot, reflecting a 2.4% increase from the previous period. This rise in lease rates signals growing confidence in the market and the willingness of retailers to pay premium prices for prime locations.

Demand and Absorption Trends

Absorption rates provide insight into the demand for retail space. Over the past 12 months, Marina has experienced net absorption of 23,300 square feet, representing a significant 383.9% increase from the prior period. This surge in absorption indicates strong demand for retail space, as new businesses continue to enter the market and existing businesses expand. Lease renewals remain high, with an average 24-month renewal rate of 88.2%, reinforcing the long-term stability of Marina's retail sector.

The average time required to lease a retail space in Marina is 4.6 months, while properties typically remain vacant for an average of 6.8 months before securing a new tenant. These metrics suggest that while demand is strong, there is still room for improvement in reducing vacancy durations through targeted leasing strategies and business attraction efforts.

Sales and Market Trends

Retail property sales in Marina continue to perform steadily. The average sale price per square foot is currently \$305, reflecting a slight decrease of 0.6% from the prior period. Despite this minor dip, the overall sales market remains active, with a total sales volume of \$16.2 million recorded over the past year. During this period, 10 retail properties changed ownership, demonstrating continued investor interest in Marina's commercial real estate market.

The market capitalization rate, which measures investor returns, has increased to 6.0%. This upward trend suggests a favorable environment for investors seeking stable, long-term returns on retail properties. With increasing lease rates and strong absorption trends, Marina's retail market presents opportunities for both investors and businesses looking to establish a presence in the city.

Is There a Demand for Additional Retail?

Given Marina's low vacancy rates, rising lease prices, and strong absorption trends, there is clear demand for additional retail development. The influx of new residents from ongoing housing projects and the economic influence of CSUMB (over 7,700 students) contribute to a growing consumer base in need of expanded retail and dining options.

To meet this demand, Marina could benefit from the development of additional shopping centers, specialty retail districts, and entertainment hubs. Expanding the variety of retail offerings—such as higher-end dining, experiential retail, and lifestyle brands—would enhance Marina’s competitiveness and reduce retail leakage to neighboring cities.



Furthermore, mixed-use developments that integrate retail, and entertainment components could provide a dynamic and sustainable approach to future commercial growth. Strategic planning will be crucial in ensuring that Marina's retail expansion aligns with consumer demand and economic sustainability goals.

Strategic Recommendations

1. Attract experiential and lifestyle retail to differentiate from competing centers.
2. Develop student and workforce-serving retail to leverage CSUMB's influence.
3. Optimize site design for mixed-use potential while maintaining retail viability.
4. Encourage anchor tenants or destination retailers to establish strong demand.

By implementing these strategies, Marina can strengthen its retail landscape, increase tax revenue, and enhance economic vitality.

Source: Costar

Overview of Marina's Dining Experience

Marina, California, offers a diverse and evolving dining scene that caters to a variety of tastes, ranging from outdoor dining spots to chef-owned restaurants and fast-casual eateries. The city's coastal climate makes outdoor dining a popular option, with establishments like Salt Wood Kitchen & Oysterette, Coffee Mia, and Ticos Breakfast & Lunch offering al fresco seating. Chef-owned restaurants, such as Aki Fresh Mex, introduce unique flavors and health-conscious menus, enhancing the local dining culture.

For fast-casual dining, options like Dametra Fresh Mediterranean and Michael's Grill and Taqueria provide quick yet high-quality meals for those on the go. Marina also boasts a variety of cuisines, including Asian, American, Mexican, and seafood specialties, ensuring that both residents and visitors have ample choices. While fine dining options within Marina are somewhat limited, nearby cities offer upscale culinary experiences. The fast-casual sector remains strong, offering a balance between convenience and quality.



- Outdoor dining is a highlight, taking advantage of Marina's coastal weather, with several restaurants offering patio seating.
- Chef-owned restaurants introduce specialty and health-conscious options, enriching the city's dining landscape.
- Fast-casual dining is well-represented, catering to those looking for quick and flavorful meals.
- Marina's dining scene is diverse, spanning multiple cuisines and accommodating a wide range of preferences and dining styles.
- While fine dining is limited, nearby cities provide additional upscale options for those seeking high-end culinary experiences.

Marina's dynamic food scene continues to grow, with opportunities for expanding upscale dining and attracting more diverse eateries to enhance the city's appeal as a dining destination.

Overview of Marina's Retail Environment

Marina's retail scene is evolving to serve a diverse local community that includes residents, college students, and visitors attracted by the city's coastal amenities. Retail centers in Marina are positioned not only as places for everyday shopping but also as community hubs that foster social interaction, outdoor dining, and local events. The retail mix ranges from neighborhood convenience centers to redeveloped mixed-use retail districts that aim to capture the dynamic lifestyle of the region.

A. Marina Landing Shopping Center

Overview & Redevelopment:

Marina Landing is a retail center located on 150 Beach Road. Initially developed from a vacant former K-Mart site to a Walmart Supercenter, it has been repositioned through a strategic redevelopment process. The redevelopment has included negotiating key entitlements, updating design features, and securing a long-term ground lease with a major national retailer.

Key Features:

- **Anchor Tenant:** The center's anchor is Walmart, which was one of the first expedited openings in California under the new redevelopment strategy.
- **Redevelopment Phases:**
 - *Phase 1:* Focused on achieving key entitlements and securing the Walmart lease.
 - *Phase 2:* Envisions a mix of retail pads (for instance, leasing space to prominent chains such as a Starbucks drive-thru).
- **Ownership/Investment:** The project was initially acquired and redeveloped by Tallen Capital Partners, whose strategic vision was to transform a blighted site into a vibrant community resource.

Source: [Tallen Capital Partners](#)

B. Downtown/Central Marina Shopping Area (Marina Village Shopping Center, Seacrest Plaza, Marina Square & Cypress Plaza)

Overview & Tenant Mix:

Located at the corner of Reservation Road and Del Monte Blvd, there are 4 shopping areas envisioned as Marina's downtown area. It primarily serves the local community and residents in Central Marina.



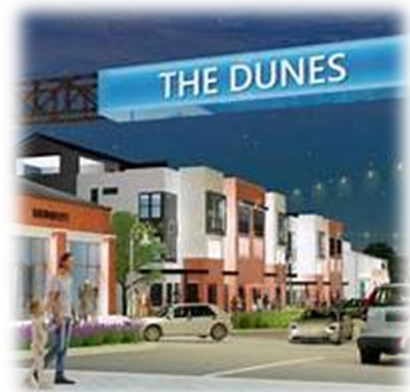
Key Features:

- **Tenant Profile:**
 - National chains such as Lucky Market, CVS, Auto Zone, Goodwill, Ace Hardware, McDonald's, O'Reilly Auto, Grocery Outlet, Walgreens, Taco Bell, Dollar Tree, Jack in the Box, and Wells Fargo are situated here.
 - A variety of smaller retail and service tenants fill in the remaining spaces. PDF materials highlight tenants with long-term leases, with some businesses having been in place since the late 1960s or 1980s.
- **Traffic & Demographics:**
 - The four centers benefit from significant vehicular traffic, with reports indicating average daily counts of approximately 19,000 vehicles along Reservation Road and 24,000 on adjacent roads. While these counts refer to vehicular flow, they are indicative of strong shopper presence on weekends and during peak shopping times.
 - The surrounding demographic data (a population of about 22,000 with a median age in the mid-30s and average household incomes around \$73,000) suggests a steady base of local consumers whose needs are met by the center.

Source: [Marina Village](#)

C. The Dunes Promenade**Overview & Concept:**

A new retail concept in Marina is emerging with The Dunes Promenade—a mixed-use, open-air district that is under construction as part of a larger live-work-play community. Developed by Shea Homes, this project is set on land that was once part of the Fort Ord military base and is being transformed into a walkable retail and dining destination. Existing uses here include Target, REI, Five Below, Michaels, Ross, Best Buy, Kohl's, Old Navy, Brass Tap, Smashburger, Chipotle and Starbucks.

**Key Features:**

- **Design and Layout:**
 - The design emphasizes outdoor community spaces, including tree-lined paths, a village square for gatherings, and landscaped areas that invite leisure and social activity.
- **Tenant Opportunities:**
 - Trader Joe's recently opened and here with additional tenants likely to include shops, restaurants, and service businesses.
 - The development includes "live-work" units above the retail spaces, providing flexibility for small business operators.

- **Market Positioning:**

- Located within a dynamic, master-planned community with nearly 1,900 new homes and additional residential projects on the way, the Promenade is poised to capture both local demand and visitor interest from the region.

Source: [The Dunes Promenade](#)

Shopper Demographics and Traffic Patterns

While explicit “average weekend” shopper counts are not always publicly detailed, several indicators provide useful context:

- **Traffic Data:**

- For example, the Downtown-Central Marina shopping area benefits from reported average daily traffic counts of approximately 19,000 vehicles along Reservation Road and 24,000 on Del Monte Blvd. These figures, especially during weekends, suggest robust exposure to potential shoppers.

- **Community Profile:**

- Demographic information from surrounding areas (e.g., a local population of around 22,000, median age in the mid-30s, and average household incomes in the low-to-mid \$70,000 range) supports the likelihood of steady weekend patronage for neighborhood centers.

- **Retail Trends:**

- According to national studies from the International Council of Shopping Centers (ICSC), most shopping centers see frequent visits from local consumers, often with many households visiting at least once per week for convenience, dining, or community events. These trends likely mirror shopper behavior in Marina, particularly in centers that blend traditional retail with community gathering spaces.

Additional Pertinent Information:

- **Community Integration:**

Many retail centers in Marina are designed not just for shopping but to serve as community focal points. The design of The Dunes Promenade, for instance, integrates green spaces and communal plazas that encourage extended visits and community events.

- **Redevelopment and Investment Trends:**

The recent investments in Marina Landing and The Dunes Promenade reflect a broader trend in the region toward redeveloping underutilized sites into vibrant, mixed-use environments. Such projects are intended to stimulate local economies, increase job opportunities, and generate additional tax revenue for the city.

- Historical Context:**
Some centers, like Marina Village, and Seacrest Plaza in central Marina have longstanding tenant relationships that date back several decades, underscoring their importance as neighborhood staples that have adapted over time to changing consumer demands.

Marina’s retail landscape is a blend of established neighborhood centers and innovative new developments. Together, these centers reflect a strategic approach to redevelopment and community engagement in the city of Marina, ensuring that retail continues to play a vital role in the local economy and social life.

Sales Tax Comparison

In examining the sales tax revenue across various cities, it becomes evident that the economic stability and growth potential of a city can be significantly influenced by the diversity of its business base. This comparison highlights the varying degrees of reliance on top businesses for sales tax revenue in Marina, Monterey, Salinas, and Seaside, and underscores the implications of such dependencies.

City	Total Sales Tax (\$) Calendar Year 2024	Sales Tax Per Capita (\$)	Top 25 Contribution (%)
Marina	\$2,560,705	\$112.32	69.50%
Salinas	\$32,630,511	\$199.61	41%
Seaside	\$8,553,153	\$246.91	74%
Monterey	\$7,910,508	\$264.46	36%

Marina's heavy reliance on its top 25 businesses for nearly 70% of its total sales tax revenue presents a high concentration risk. This lack of diversification means that the city is vulnerable to economic downturns if any of these key businesses were to relocate or shut down. To mitigate this risk, Marina could benefit from strategies aimed at attracting a broader mix of businesses, including expanding its retail, entertainment, and service sectors.

In contrast, Monterey boasts the highest sales tax per capita at \$264.46, driven by strong retail activity per resident, likely fueled by tourism and high consumer spending. This robust per capita figure reflects a healthy and dynamic economic environment.

Salinas, while generating the highest total sales tax revenue, has the lowest dependency on its top 25 businesses at 41%. This indicates a well-balanced retail economy with contributions from a diverse mix of businesses, reducing the city's economic vulnerability.

Meanwhile, Seaside's 74% concentration of sales tax from its top 25 businesses suggests a higher susceptibility to shifts in large business activity. This reliance on a few major contributors makes Seaside more vulnerable to economic fluctuations.

Overall, this comparison underscores the importance of a diversified business base in ensuring economic resilience and sustainable growth for cities.

Retail Gap Analysis and Market Comparison: City of Marina, Monterey County, and California

Overview

This report delves into the retail landscape of the City of Marina, offering a comprehensive analysis of the existing retail gaps. By examining the findings from the gap analysis, the report identifies key areas where local demand significantly surpasses supply. Additionally, it compares these findings with market conditions in Monterey County and the state of California to uncover business opportunities and potential avenues for retail expansion.

Key Findings from the Gap Analysis

The analysis indicates several retail sectors in Marina have significant demand that exceeds local supply. The most notable gaps include:

- Furniture Stores: A deficit of over \$5.3 million in local spending suggests the need for furniture retailers to serve the growing residential base.
- Jewelry, Luggage, and Leather Goods: A shortfall of \$2.5 million represents an opportunity for specialty retailers.
- Electronics and Appliance Stores: The current market shows a \$3.9 million gap, signaling potential for consumer electronics and home appliance stores.
- Clothing Stores: A \$11.8 million gap suggests high demand for apparel retailers.
- Shoe Stores: A \$2.2 million deficit indicates an unmet need for footwear retailers.
- Grocery Stores: A \$27.2 million gap reflects a strong need for additional grocery options.
- General Merchandise Stores: A shortfall of \$25.4 million, indicating demand for department store-style retailers.
- Automotive Dealers: A gap or shortfall of \$63.7 million, indicating a demand for auto dealers to open in Marina.

By addressing these gaps, Marina can attract a broader mix of businesses, enhance its retail offerings, and reduce economic risk associated with over-reliance on a few major contributors. This strategic approach will not only meet the needs of the local community but also foster a more resilient and diversified economic base.

Source: Consumer Demand & Market Supply Assessment from INSIGHT Market Analytics report (Appendix 2)

Retail Landscape Comparison: Marina vs. Monterey County and California

When compared to broader regional and state markets, Marina exhibits unique retail deficiencies but also significant growth potential. This comparison is valuable for several reasons:

Benchmarking Performance: Comparing Marina's retail landscape to that of Monterey County and the state of California provides a benchmark to measure its performance. It helps identify areas where Marina is lagging and where it is excelling, offering a clearer picture of its economic health.

Identifying Opportunities: By understanding how Marina's retail environment stacks up against regional and state averages, stakeholders can pinpoint specific sectors with unmet demand. This insight is crucial for attracting new businesses and guiding existing ones on where to expand.

Understanding Market Dynamics: Regional and statewide comparisons shed light on broader market trends and consumer behaviors. This understanding helps local businesses and policymakers make informed decisions that align with these trends, ensuring they remain competitive.



Assessing Growth Potential: Marina's unique retail deficiencies highlight areas with significant growth potential. For instance, gaps in sectors like grocery stores, general merchandise, and clothing stores indicate opportunities for new entrants to capture unmet demand.

Mitigating Risks: A high concentration of sales tax revenue from a few top businesses poses a risk to Marina's economic stability. Comparing this with other regions helps illustrate the importance of diversifying the business base to mitigate such risks.

Strategic Planning: Regional and statewide comparisons provide valuable data for strategic planning. They help city planners and economic developers create targeted strategies to attract a diverse mix of businesses, enhance retail offerings, and foster sustainable growth.

Key Findings

Population Growth and Retail Demand

- Marina's population grew by 7.8% over five years, surpassing Monterey County (3.7%) and California (3.5%).
- The number of households in Marina is projected to increase by 8.4%, further increasing the demand for retail.
- Daytime population (23,406 people) includes commuters and students, enhancing potential retail foot traffic.

Income and Spending Power

- The average household income in Marina is \$113,854, which is competitive within the county but slightly below the state average.
- Monterey County, with a higher average income of \$130,408, provides additional retail opportunities from residents shopping in Marina.
- Retail spending per capita remains high in Marina, yet a significant portion of spending is occurring outside the city due to supply constraints.

Retail Leakage and Opportunity

- Many Marina residents leave the city to shop in Monterey, Seaside, or Salinas, resulting in significant retail leakage.
- The gap in grocery and general merchandise stores suggests that major retailers and specialty grocers could thrive in Marina.
- Marina has an opportunity to attract more local-serving retailers to capture sales that currently leave the market.

By leveraging these insights, Marina can develop strategies to address its retail deficiencies, capitalize on growth opportunities, and build a more resilient and diversified economic base.

Source: INSIGHT Market Analytics report

Implications for Retail Development and Investment

1. Attracting National and Regional Retailers

- The large deficit in general merchandise and grocery categories makes Marina an ideal candidate for major chain retailers.
- National brands could establish strong footholds due to minimal direct competition in some key categories.

2. Expansion of Local Businesses

- Encouraging local entrepreneurs to expand into clothing, electronics, and furniture would address significant demand gaps.

- Incubating small specialty businesses can enhance the city's commercial mix.
- 3. **Leveraging Student and Tourism Markets**
 - The presence of Cal State Monterey Bay (CSUMB) contributes to strong demand for dining, entertainment, and affordable shopping options.
 - Expansion of fast casual restaurants, bookstores, and lifestyle retailers would align with student spending habits.
- 4. **Enhancing Retail Infrastructure**
 - The city's current retail vacancy rate of 2.4% is below county and state averages, indicating limited available space for new businesses.
 - Future planning should consider mixed-use developments that integrate retail and residential to support sustainable growth.

The City of Marina presents significant retail expansion opportunities, with clear evidence of unmet demand in multiple sectors. When compared to Monterey County and the state of California, Marina's rapid population growth, strong income levels, and existing retail gaps position it as a prime market for new business investment. Addressing these gaps through targeted retail attraction and development strategies will enhance local economic activity and improve consumer convenience while reducing sales leakage to nearby markets.

Comparative Market Analysis: Marina vs. Seaside, Monterey, and Salinas

The City of Marina is situated within Monterey County and is in close proximity to several neighboring cities, each with its own unique economic landscape. This section provides a comparative analysis of Marina, Seaside, Monterey, and Salinas, examining their economic development, demographics, major employers, visitor attractions, and competitive positioning. The goal is to understand Marina's strengths, challenges, and opportunities in relation to these nearby communities and to outline strategies for enhancing its competitive edge.

Geographic Proximity

Marina's location provides a strategic advantage, as it is within short driving distances to key economic hubs in the region:

- Marina is approximately six miles from Seaside, a drive of about seven to nine minutes.
- The city is about nine miles from Monterey, taking roughly 10 to 16 minutes by car.
- Salinas is located approximately 11 miles from Marina, with an average drive time of 25 minutes.

These short distances mean that Marina is directly influenced by the economic and commercial activities of these neighboring cities, and vice versa. Understanding the regional interconnectivity is essential to identifying Marina's positioning in the local economy.

Demographic Comparison

Each of the four cities has distinct demographic characteristics that shape their economic landscape:

- Marina has a population of approximately 22,359.
- Seaside has a larger population, with around 32,366 residents.
- Marina is slightly smaller than Monterey, which has a population of about 30,218.
- Salinas is the largest among them, with 163,542 residents.

While Monterey and Seaside are comparable in size, Salinas dwarfs them all in population, which directly impacts workforce availability, economic output, and retail demand. Marina, in contrast, is a smaller city that has room to grow but must develop its economic strategy to compete effectively.

Economic Overview

Marina is undergoing significant development, with projects such as The Dunes, a mixed-use community featuring retail, dining, and residential spaces. The presence of California State University, Monterey Bay, provides an economic boost by contributing to the local job market and student-driven commerce. Seaside is similarly positioned with its proximity to CSU Monterey Bay, as well as ongoing redevelopment efforts on former military land from the Fort Ord base.

Monterey, in contrast, relies heavily on tourism, with attractions such as Cannery Row and the Monterey Bay Aquarium driving its economy. The hospitality sector is a major employer, and the city has a well-established visitor economy that benefits from both domestic and international tourists. Salinas has a vastly different economic base, as it is the agricultural hub of Monterey County, known as the “Salad Bowl of the World.” The city’s economy is driven by agribusiness, food production, and an expanding industrial sector.

Retail, Dining, and Entertainment

Each of the four cities has distinct offerings in terms of retail, dining, and entertainment. Marina’s retail sector is growing, with developments such as The Dunes Promenade adding new businesses and dining establishments. However, it still lacks the robust shopping districts found in Monterey and Salinas.

Seaside has a diverse mix of local businesses and national retailers, offering a balance between convenience shopping and unique dining experiences. Monterey’s retail and dining sectors are heavily influenced by tourism, featuring high-end boutiques, seafood restaurants, and waterfront dining. The entertainment options in Monterey are among the strongest in the region, with theaters, music festivals, and cultural attractions catering to both visitors and residents.

Salinas provides a mix of retail and dining that reflects its population’s diversity, with a strong presence of Mexican cuisine and family-owned establishments. Major shopping centers and annual events such as the California Rodeo Salinas contribute to the city’s economic vibrancy.

Major Employers

Each city’s economic strengths are reflected in its largest employers. Marina’s job market is driven by educational institutions and retail developments, with the growth of The Dunes providing additional employment opportunities. Additionally, the current Joby Aviation manufacturing facility is

expanding at the Marina Airport, with a new 226,000 square foot facility. This \$50 million advanced manufacturing facility that will provide a total of 360 jobs in the City of Marina. Seaside's economy is supported by California State University, Monterey Bay, and the retail sector. Monterey's key employers include tourism-related businesses, the Defense Language Institute, and local government agencies. Salinas is dominated by agricultural employers such as Dole Fresh Vegetables and Taylor Farms, in addition to healthcare and industrial sectors.

Visitor Attractions

Marina's tourism appeal is rooted in its natural beauty, with Marina State Beach serving as a popular location for hang gliding and outdoor recreation. The city is also a gateway to Fort Ord National Monument, which offers hiking and biking trails. However, compared to Monterey, Marina lacks large-scale attractions that draw significant numbers of visitors.

Seaside benefits from its proximity to beaches and golf courses, including the Bayonet and Black Horse Golf Courses. Monterey, by contrast, is the regional leader in tourism, with world-renowned attractions such as Cannery Row, Fisherman's Wharf, and the Monterey Bay Aquarium. Salinas attracts visitors to the National Steinbeck Center, Toro County Park, and its annual events, but does not have the same level of tourism appeal as Monterey.

Competitive Positioning

Marina has several strengths that can be leveraged for economic growth. Its affordability compared to Monterey makes it attractive for residential and commercial development. The city is also well-positioned to benefit from outdoor recreation tourism, with opportunities to expand its brand as a destination for nature lovers and eco-tourism.

However, Marina faces challenges in differentiating itself from Seaside and Monterey. While Monterey dominates the tourism industry, Marina must carve out a unique identity to draw visitors and businesses. Seaside's redevelopment projects may also create additional competition for retail and housing developments.

Salinas presents a different type of competition, as its strong industrial and agricultural economies provide employment opportunities that attract residents who may otherwise consider living in Marina.

Recommendations for Marina's Economic Development

To strengthen its position, Marina should focus on the following strategies:

1. **Enhance Tourism Appeal:** The city should develop unique attractions and events that can draw visitors, such as outdoor festivals, eco-tourism initiatives, and adventure sports competitions.
2. **Support Local Businesses:** Providing incentives and business support programs can help create a vibrant local economy and attract innovative startups.
3. **Leverage Educational Institutions:** Partnerships with CSU Monterey Bay can foster business development, workforce training programs, and entrepreneurship opportunities.

4. **Promote Outdoor Recreation:** Marketing Marina’s natural assets, such as the beach, trails, and open spaces, can attract outdoor enthusiasts and position the city as a destination for adventure tourism.
5. **Future Hotel Development:** Pursue the development of an additional mid-price limited-service hotel. Another hotel could build upon the success of the two newer hotels in Marina – the Marriott SpringHill Suites and the Home2 Suites by Hilton.

Marina is at a pivotal stage in its economic development. With strategic planning and investment, it can strengthen its competitive edge against neighboring cities. By leveraging its affordability, natural resources, and educational institutions, Marina can create a dynamic economic environment that attracts businesses, visitors, and new residents alike.

Competitive Positioning		
City	Strengths	Challenges
Marina	- Affordable housing options compared to neighboring cities	- Developing a distinct identity amidst neighboring tourist-centric cities
	- Ongoing development projects	
	- Proximity to natural attractions	
Seaside	- Central location with access to educational institutions	- Redevelopment of former military land
	- Redevelopment opportunities	- Attracting new businesses
Monterey	- Established tourism industry	- Dependence on tourism makes it vulnerable to economic fluctuations
	- World-renowned attractions	
Salinas	- Strong agricultural base	- Economic diversification beyond agriculture
	- Growing industrial sector	- Addressing social challenges

Recommendations for Marina:

- **Enhance Tourism Appeal:** Develop unique attractions or events to draw visitors, differentiating Marina from neighboring cities.
- **Support Local Businesses:** Provide incentives and support for small businesses to create a vibrant local economy.
- **Leverage Educational Institutions:** Collaborate with nearby universities to foster innovation and attract a skilled workforce.
- **Promote Outdoor Recreation:** Capitalize on natural assets by promoting outdoor activities like hiking, biking, and water sports.
- **Target Gap Analysis Possibilities:** Better understand sales leakage out of Marina to surrounding cities, as well as gap and new retail possibilities.

By focusing on these strategies, Marina can strengthen its economic position and compete effectively with neighboring communities.

Residential Developments

1. **The Dunes at Monterey Bay:** This master-planned community has introduced four new neighborhoods—Sky House, Light House, Bay House, and Rooftops—offering luxurious

homes with modern amenities. The Promenade at The Dunes integrates parks, entertainment, dining, and a contemporary "Main Street" experience, attracting residents from the Bay Area, including tech professionals and retirees. [SFGate](#)

2. **Sea Haven:** Located near Monterey Bay, Sea Haven features neighborhoods like Layia and Villosa, offering single-family homes with diverse architectural styles and state-of-the-art features. Residents enjoy proximity to the beach, parks, and walking trails, enhancing the coastal living experience. [Trumark](#)
3. **Marina Station:** A significant mixed-use development project, Marina Station is transforming a large parcel of land situated within the North end of Marina's city limits. The project provides over 1,300 new homes, parks, and open space, 60,000 Square foot of retail, along with 143,000 sq. ft. of office space and 650,000 sq. ft. of flex/industrial space along Highway 1.

Commercial Developments

1. **The Dunes (University Village):** Part of Marina's specific plans, The Dunes is a mixed-use development combining residential, retail, and recreational spaces. It aims to create a vibrant community hub with shopping centers, dining options, and entertainment facilities.
2. **Airport Business Park:** This development focuses on creating commercial opportunities near the Marina Municipal Airport, aiming to attract businesses and stimulate economic growth in the area.
3. **Marina Landing:** Contains a Wal-Mart supercenter and pad opportunities, plus 5.1-acre development opportunity.
4. **Downtown/Central Marina Area:** Home to numerous established shopping centers that serve the daily needs of Marina residents.

Summary of Void Analysis Reports

The void analyses conducted for two sites located in the City of Marina—Site 1 (Beach & Del Monte Blvd) and Site 2 (10th St & 1st St), and the City of Marina as a whole to provide a comprehensive look at retail gaps, market potential, and opportunities for business attraction. While each analysis presents location-specific insights, there are several key similarities and trends across all three of Void Analysis reports. The suggested possibilities are not all-encompassing, but rather HdL recommendations based on Marina's market analytics and HdL's understand of what expanding retailers are looking for in certain trade areas.

Key Findings:

1. **Retail Market Gaps:**
 - Common retail categories with opportunities include clothing stores, furniture stores, grocery stores, general merchandise, and restaurants.

- The demand for home improvement, fitness centers, and specialty food services is evident in all three analyses.
2. **Demographic and Economic Overview:**
- Each location benefits from a growing population within a 5- to 15-minute drive-time trade area.
 - The average household income remains relatively strong, ranging between \$107,000 and \$116,000, making the area attractive for retailers.
 - The workforce composition reflects a predominantly white-collar population, with a significant percentage of residents holding college degrees.
3. **Sales Tax Revenue Potential:**
- Each site is projected to generate significant sales tax revenue, indicating strong spending potential from residents and visitors.
 - The City's Center location, given its proximity to major shopping centers, exhibits the highest consumer activity.
4. **Commercial and Business Opportunities:**
- National brands and retailers such as Dunkin' Donuts, Dutch Bros Coffee, Sprouts Farmers Market, Aldi, and Chick-fil-A have been identified as potential tenants.
 - There is a notable demand for fitness centers (e.g., UFC Gym, 24 Hour Fitness), and home furnishing stores.
5. **Strategic Location Advantages:**
- The city benefits from easy access to major roads (e.g., Pacific Coast Highway 1, Del Monte Blvd).
 - Proximity to existing retail hubs enhances the potential for new businesses.

The void analyses collectively demonstrate that the City of Marina has significant market potential for retail expansion, hospitality growth, and enhanced consumer offerings. While each location presents unique characteristics, they share a strong retail demand, solid income levels, and strategic positioning for development.

The full void analysis reports for each location are attached at the end of this document (Appendix 1) for reference. The Software used for a void analysis utilizes a data base with over 1,200 retailers and users. Additionally, HdL uses its significant knowledge and industry experience in California on who is expanding and where they want to be, as well as their preferred site attributes and marketplace requirements.

Market & Site Assessment

The City of Marina is actively evaluating opportunities for retail expansion and commercial development. This market assessment focuses on two prime sites:

Site 1 – Marina Landing



Site 2 – Dune Area



- **Site 1:** Undeveloped land adjacent to the Marina Landing Shopping Center and Walmart Supercenter, owned by Tallen Capital Partners, LLC
- **Site 2:** A 6.15-acre property in The Dunes area, owned by Marina Community Partners LLC (Shea Homes)

Both sites present opportunities for economic growth, given their strategic locations, existing traffic patterns, and market demand for retail, dining, and service-oriented businesses. This report evaluates the retail market conditions, site viability, and development potential while identifying challenges that need to be addressed for long-term success.

OVERVIEW OF MARKET & SITE ASSESSMENT

A Market & Site Assessment provides a data-driven evaluation of a property's economic potential based on local demographics, trade area characteristics, competitive retail positioning, and regional growth trends.

For Marina, the assessment considers:

- **Retail Sales Performance:** Identifying strong and weak retail categories.
- **Demographics & Consumer Demand:** Understanding household spending power and population trends.
- **Competitive Positioning:** Comparing the site's strengths relative to regional competitors.

- Development Feasibility: Evaluating tenant mix, lease rates, and investor interest.

SITE 1: MARINA LANDING (Walmart Supercenter Adjacent Site of 5.1 acres)

Market Positioning

The Marina Landing Shopping Center, anchored by a Walmart Supercenter, serves as one of the retail hubs in Marina. This center benefits from high foot traffic, a nice existing tenant mix, and easy access from major roadways. The undeveloped property adjacent to Walmart offers an opportunity to expand retail offerings and complement existing businesses.

Retail Demand & Highest and Best Use Analysis

Current Market Performance:

- The site is in an established trade area with a mix of national retailers and local businesses.
- Strong consumer demand for grocery, convenience, and dining options.
- Walmart acts as an anchor tenant, driving daily traffic to surrounding retailers.

Development Potential:

- Ideal tenants include fast-casual dining, quick-serve restaurants, personal services, and additional convenience retail.
- Potential for drive-thru businesses, given high vehicle traffic patterns.
- The site could support multi-tenant retail pads with shared parking agreements.

Competitive Landscape

- The surrounding area includes several retail centers but limited full-service dining and specialty retail.
- Monterey and Salinas draw away some retail sales, emphasizing the need for a stronger commercial identity for Marina.
- Lease rates are rising in the region, making this site attractive for development.

Development Opportunities & Challenges

Opportunities:

- Strong existing traffic from Walmart
- High retail demand in key categories
- Available land for new construction

Challenges:

- High construction costs could impact feasibility.
- Need for tenant mix that complements Walmart without direct competition.
- Ensuring sufficient parking and traffic flow

SITE 2: THE DUNES (6.15-ACRE PROPERTY)

Market Positioning

The 6.15-acre property at The Dunes is positioned within a rapidly developing mixed-use district, integrating residential, retail, and entertainment spaces. The site's strategic location near major roads and California State University Monterey Bay (CSUMB) makes it a prime candidate for commercial and lifestyle-oriented retail development.

Retail Demand & Highest and Best Use Analysis

Projected Growth & Demand:

- Population growth and new housing at The Dunes and Sea Haven create a demand for everyday retail, services, and dining.
- Proximity to CSUMB (over 7,700 students) student housing provides a market for quick-service restaurants, cafes, and entertainment.
- The site should be able to support a multi-tenant center or an anchor retail use.

Development Potential:

- Ideal tenants: Health & wellness businesses, boutique retail, specialty grocery, and family dining.
- The site could benefit from an experiential retail approach, including outdoor dining, entertainment venues, and local artisan markets.

Competitive Landscape

- The nearest major retail hubs are in Sand City, Monterey, and Salinas, offering Marina an opportunity to fill gaps in the local retail mix.
- The Dunes Promenade, a nearby commercial project, is also expanding, requiring this site to have a unique positioning.
- Lease rates are competitive in this submarket, with a growing investor interest in retail properties.

Development Opportunities & Challenges

Opportunities:

- Integration with The Dunes mixed-use community
- Growing demand from both residents and students
- Opportunity for destination-oriented retail

Challenges:

- Needs a strong anchor tenant to drive foot traffic.
- Competitive development landscape with other regional projects

- Balancing retail and residential use to optimize site value.
-

Conclusion

The City of Marina presents strong economic and retail growth opportunities, supported by a rising population, stable lease rates, and high consumer demand. However, the city must address retail leakage and business diversification to remain competitive. Key development sites, including Marina Landing and The Dunes, offer significant potential for commercial expansion, particularly in fast-casual dining, boutique retail, and entertainment sectors.

Site 1: Marina Landing (anchored by Walmart) is a high-traffic location that benefits from Walmart's strong customer base, making it an ideal site for fast-casual dining, convenience retail, and service-oriented businesses. The site's proximity to a major anchor retailer creates an opportunity to capture impulse and convenience-driven shoppers, while strategic tenant placement can enhance Marina's overall retail mix.

Site 2: The Dunes (6.15-Acre Property) is positioned within a rapidly growing mixed-use community and presents an opportunity for destination retail, boutique shops, and student-focused services. Its proximity to new housing developments and Cal State Monterey Bay (CSUMB) makes it an attractive location for businesses catering to residents, students, and visitors. A well-planned retail and entertainment hub at The Dunes could help reduce sales leakage to neighboring cities while strengthening Marina's identity as a retail and lifestyle destination.

Overall, this study highlights the strong demand for additional retail development in Marina, with both sites playing critical roles in meeting this demand. Strategic investments in these locations, combined with efforts to diversify Marina's retail mix and attract experiential shopping and dining options, will help strengthen the city's economic foundation, create job opportunities, and enhance Marina's long-term viability as a commercial hub in the Monterey Bay region.

Appendix 1 – Void Analysis Reports

Appendix 2 – INSIGHT Market Analytics Reports