

BUSINESS AND ECONOMICS ELEMENT

Vision Statement

Palo Alto’s business environment will be exciting, dynamic and vital. Businesses will have access to a wide array of support services and will enjoy positive relationships with Palo Alto residents, officials, and City staff. The competing needs of residents and businesses will be balanced so that neighborhoods are protected and enhanced while business districts are competitive and attractive. The local economy will thrive, and a diverse array of goods and services will be provided to Palo Alto consumers. Most development will occur within Palo Alto’s employment areas, and will be consistent with the role and character designated for each area by this Plan.

1. *Compatibility*

GOAL B-1: **A Thriving Business Environment that is Compatible with Palo Alto’s Residential Character and Natural Environment.**

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| POLICY B1.1 | Use a variety of planning and regulatory tools, including growth limits, to ensure that business change is compatible with the needs of Palo Alto neighborhoods. [Previous Policy B-1] |
| POLICY B1.2 | Support a strong interdependence between existing commercial centers and the surrounding neighborhoods as a way of encouraging economic vitality. [Previous Policy B-2] |
| POLICY B1.3 | Recognize that Palo Alto’s street tree system is an economic asset to the City. [Previous Policy B-3] |

2. Diversity

The Stimulation of Viable Commercial, Retail and Professional Service Business Opportunities through Business Policies, a Culture of Innovation, Balanced Economic Goals, and Diverse Local and Regional Serving Businesses.

- POLICY B2.1 Nurture and support Palo Alto’s image as a global center of innovation for emerging technology and other new businesses. [Previous Policy B-4]
- Program B2.1.1 Use the City’s website as a means to promote Palo Alto’s “brand” of innovation and technology. [PTC]New Program)*
- POLICY B2.2 Enhance Palo Alto’s attractiveness to entrepreneurs, venture capitalists, and investors by fostering an environment attractive to new businesses and start-ups. [PTC] [New Policy]
- Program B2.2.1 Adopt feasible zoning standards to encourage start-up businesses and establish criteria to facilitate these businesses. [PTC] [New Program]*
- Program B2.2.2 Explore the development of public-private partnerships that support new businesses by lowering the cost of office and retail space at appropriate locations. [PTC] [New Program]*
- Program B2.2.3 Partner with local business and nonprofit organizations to nurture start-up businesses. [PTC] [New Program]*
- POLICY B2.3 Encourage and support small, independent and locally-owned businesses as a means of retaining local services and diversifying the City’s economic base. [Previous Policy B-5 and B-7]
- Program B2.3.1 Develop policies, programs and regulations to support the viability of home-based businesses in Palo Alto. [PTC] (New Program)*
- POLICY B2.4 Enhance Palo Alto’s appeal to visitors and guests by promoting existing cultural experiences and exploring opportunities to create new experiences. [PTC] [New Policy]

Explore opportunities to provide spaces for conference centers, arts and entertainment activities, and other creative and visitor uses.

[PTC] [New Policy]

POLICY B2.5 *Program B2.5.1 Coordinate efforts with the Palo Alto Chamber of Commerce, Stanford University, and the University's cultural programs and facilities to promote tourism and visitors. [PTC] [New Program]*

3. Growth

Policies that Moderate the Pace of Job Growth, with Priorities Given to Businesses that Provide Needed Local Services and Municipal Revenues, Contribute to Economic Vitality, and Enhance the City's Physical Environment.

POLICY B3.1 Encourage new businesses that meet the City's business, economic and quality of life goals to locate in Palo Alto. [Previous Policy B-9]

Program B3.1.1 Implement City of Palo Alto Office of Economic Development policy to guide business development in the City.. [Existing Program B-2]

Program B3.1.2 Evaluate the effectiveness of the City's Office of Economic Development Policy and make appropriate changes to support the health of our local economy and our competitiveness as a place to do business. Consider developing additional elements to the Economic Development Policy that address the following:

- *Protocol and performance measures for providing incentives to attract specific industries or companies to locate in Palo Alto;*
- *Performance measures for providing assistance to existing companies; and*
- *Performance measures to include economic impact, fiscal impact, filling gaps in retail spending, job quality and others. [PTC] [New Program]*

Promote Palo Alto's image as a business-friendly community. Assume an active role in fostering new business, particularly small, start-up businesses in emerging industries. [Previous Policy B-10]

POLICY B3.2 Support the downtown Business Improvement District partnership, and encourage the development of other district associations.

POLICY B3.3 Explore grants and public/private partnerships as a means of enhancing public amenities and other placemaking elements. [Previous Policy B-11]

Program B3.3.1 On an ongoing basis, evaluate opportunities for City involvement in public/private partnerships, including public investment in infrastructure and other improvements, siting of public art, and modification of land use regulations and other development controls. [Existing Program B-3]

POLICY B3.4 Encourage the private sector to participate in partnerships with nonprofit or public agencies to provide community benefits and services that would not otherwise be made available. [Previous Policy B-12]

POLICY B3.5 Support the development of communications infrastructure and other improvements that will facilitate the growth of emerging telecommunications industries. [Previous Policy B-13]

Program B3.5.1 Develop the City Council-approved fiber optic ring around the City as recommended in the 1996 Telecommunications Strategy Study and evaluate and implement enhancements to the system. [Existing Program B-4]

POLICY B3.6 Encourage providers of electronic information networks and other communications infrastructure to maximize potential benefits for Palo Alto businesses, employers and other potential users. [Previous Policy B-14]

POLICY B3.8 Allow the creative use of City utilities and rights-of-way to ensure competition among networks in providing information systems infrastructure. [Previous Policy B-15]

Encourage businesses to commit to environmental and sustainable practices, including, where possible, local sourcing of materials. [PTC] [New Policy]

Utilize the business registry to gather data on number of employees, size of business, square foot usage, and other metrics. [PTC] (New Policy)

POLICY B3.9

4. Flexibility

City Regulations and Operating Procedures that Provide Certainty and Predictability and Help Businesses Adapt to Changing Market Conditions.

POLICY B4.1 Support local regulations that benefit or do not overly burden small and medium-sized local businesses. [PTC] [New Policy]

- Program B4.1.1 Streamline City administrative and regulatory processes wherever possible, to reduce inefficiencies, overlap, and time delays.. [Previous Policy B-16]*
- Program B4.1.2 Simplify the design review process for small-scale changes to previously approved site plans and buildings. [Existing Program B-5]*
- Program B4.1.3 Regularly evaluate ways to improve coordination of the City's environmental review, permitting, and inspection processes, including issues relating to hazardous materials and water quality regulations. [Existing Program B-6]*
- Program B4.1.4 Improve design guidelines to reduce ambiguity and more clearly articulate design principles to the business community. [Existing Program B-7]*
- Program B4.1.5 Evaluate methods to achieve the development limitations currently imposed by adopted floor area ratios in a more flexible manner. Such methods could include the use of building envelope restrictions. [Existing Program B-8]*
- Program B4.1.6 Revise the Sign Ordinance to more clearly reflect community design standards and requirements relating to size, number of signs, allowed locations, and design. [Existing Program B-9]*

Program B4.1.7 Revise zoning and other regulations as needed to encourage the revitalization of aging retail areas. [Existing Program B-10]

Increase opportunities for, and the feasibility of, artist- and nightlife-oriented businesses in Palo Alto. [PTC][New Policy]

POLICY B4.2 *Program B4.2.1 Streamline permitting processes for areas determined as appropriate for this purpose. [PTC] [New Program]*

5. Centers

GOAL 5: Attractive, Vibrant Business Centers, Each with a Mix of Uses and a Distinctive Character.

ALL CENTERS

POLICY B5.1 Where redevelopment is desired, explore incentives to encourage owners to carefully upgrade commercial properties, in order to support and retain existing tenants while improving the built environment.[Previous Policy B-17]

POLICY B5.2 *Program B5.1.1 Identify and prioritize commercial centers in need of economic or physical revitalization. [Existing Program B-11]*

Create incentives for providing multi-unit housing on top of parking lots in or near commercial centers and transit hubs. [Previous Policy B-18]

REGIONAL CENTERS

POLICY B5.3

University Avenue/Downtown

And recognize the importance of an appropriate retail balance, including small local businesses, to the economic vitality of Downtown. [Previous Policy B-20]

Program B5.3.1 Actively work with Downtown businesses, professional associations and the Palo Alto Chamber of Commerce to retain successful existing small and medium sized businesses. [PTC] [New Program]

Program B5.3.2 Identify and target businesses suitable for the Downtown area that will enhance commercial vitality. [PTC] [New Program]

POLICY B5.4 Support a vibrant Downtown environment that combines ground-floor retail, diverse dining and entertainment options and housing. [PTC] [New Policy]

Program B5.4.1 Introduce urban design elements on cross streets between Lytton and Forest Avenues to enhance the commercial environment beyond University Avenue. [PTC] [New Program]

South of Forest Mixed Use Area (SOFA)

POLICY B5.5 Maintain uses in the South of Forest Area (SOFA) that complement the Downtown business district and serve the needs of nearby neighborhoods. [Previous Policy B-21]

Program B5.5.1 Allow for the continued operation of automotive service uses in SOFA. [PTC] [New Program]

Stanford Shopping Center

POLICY B5.6

Work with appropriate stakeholders to ensure that the Stanford Shopping Center is sustained as a distinctive, economically competitive, high quality regional shopping center. [Previous Policy B-22]

MULTI-NEIGHBORHOOD CENTERS

POLICY B5.7

California Avenue/Cal-Ventura

Foster the establishment of businesses and commercial services in the California Avenue business district that serve the adjacent neighborhoods as well as Stanford Research Park. [Previous Policy B-24]

Program B5.7.1 Actively work with the California Avenue business district and Palo Alto Chamber of Commerce to retain and attract successful small and medium-sized businesses. [PTC] [New Program]

El Camino Real

POLICY B5.8 Strengthen the commercial viability of businesses along El Camino Real corridor by encouraging the development of pedestrian-oriented neighborhood retail and office centers. [Previous Policy B-25]

POLICY B5.9 Encourage commercial investment and activity along El Camino Real that complements the Stanford Research Park and enhances its physical appearance. [Previous Policy B-30]

Program B5.9.1 Identify opportunities to create a concentration of commercial services to serve Stanford Research Park employees and visitors.[Previous Program B-17]

Program B5.9.2 Identify key sites on El Camino Real that would be suitable for Neighborhood Centers. Evaluate economics, design, traffic management, location of proposed future BRT stops, signage and other regulatory opportunities and constraints for each site. Identify potential incentives that could be offered by the City to improve the area's appearance and economic vitality. [Existing Program B-12]

Town and Country Village

POLICY B5.10 Retain the local-serving retail character of Town and Country Village. [Previous Policy B-26]

POLICY B5.11

NEIGHBORHOOD-SERVING RETAILCENTERS

POLICY B5.12

Maintain the existing mix of small and medium neighborhood- serving retail businesses in all neighborhood retail centers. [PTC](New Policy)

Support retention of grocery stores in neighborhood-serving retail districts. [PTC] (New Policy)

6. *Employment Districts*

GOAL B-6: Thriving Employment Districts at Stanford Research Park, Stanford Medical Center, East Bayshore/San Antonio Road Area and Bayshore Corridor that Complement the City's Business and Neighborhood Centers.

Stanford Research Park

POLICY B6.1 Support the positive relationship between the local business community and Stanford University faculty, alumni, and administrators. [Previous Policy B-28]

POLICY B6.2 Facilitate Stanford's ability to respond to changing market conditions that support the long-term viability of the Research Park. [Previous Policy B-29]

Program B6.2.1 Review policies and regulations guiding development at Stanford Research Park and revise them as needed to allow improved responsiveness to changing market conditions. [Existing Program B-15]

POLICY B6.3 [Existing Program B-18] Encourage incubator businesses in Stanford Research Park. [Previous Policy B-31]

Stanford Medical Center

POLICY B6.4 Assist Stanford Medical Center in responding to changes in the delivery of health care services. Work with the Center to plan for changing facility needs, but within the context of City of Palo Alto planning goals and policies, as well as the goals and policies of other relevant jurisdictions. [Previous Policy B-32]

East Bayshore and San Antonio Road/Bayshore Corridor

Encourage actions that would keep business space in the San Antonio Road and East Bayshore areas affordable. [Previous Policy B-33]

Work with business owners and resident to create attractive design layouts and positive traffic solutions. [PTC] [New Policy]

POLICY B6.6