

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.

- 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*

GOAL B-2: ~~A Diverse Mix of Commercial, Retail, and Professional Service Businesses~~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.~~

Comment [GG1]: Per City Council Motion

POLICY B2.1 Nurture and support ~~Palo Alto's image as a global center of innovation for emerging technology and other established businesses as well as~~ new businesses. [Previous Policy B-4]

Comment [GG2]: PTC revision

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. Maintain distinct business districts within Palo Alto~~ as a means of retaining local services and diversifying the City's economic base. [Previous Policy B-5 and B-7]

Comment [GG3]: PTC changes

Program B2.3.1 Develop policies, programs and regulations to support the viability of home-based businesses in Palo Alto. [PTC] [New Program]

~~Maintain distinct neighborhood shopping areas that are attractive, accessible, and convenient to nearby residents. [Previous Policy B-6]~~

Comment [GG4]: Deleted for placement as a new policy in Goal L-4 of the Land Use Element "Inviting Centers", per City staff.

~~Initiate assessment districts or other programs to facilitate neighborhood shopping center improvements such as landscaping, parking, and access to public transportation. [Existing Program B-1]~~

Comment [GG5]: Deleted for Overlap with Land Use Program L-4.4.3 "Collaborate with merchants to enhance the appearance of streets and sidewalks within all Centers. Encourage the formation of business improvement districts and undertake a proactive program of maintenance, repair, landscaping and enhancement. [Previous Policy L-22]"

POLICY B2.1 ~~Encourage and support the operation of small, independent businesses. [Previous Policy B-7]~~

Comment [GG6]: This language not deleted but combined with existing Policy B-5, into B2.3, per PTC

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]

POLICY B2.5 Explore opportunities to provide spaces for conference centers, arts and entertainment activities, and other creative and visitor uses. [PTC] [New Policy]

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]*

~~Encourage the renovation and reuse of long-term vacant buildings. [Previous Policy B-8]~~

Comment [PW7]: Deleted due to duplication with Land Use Policy L-2.4: Facilitate reuse of existing buildings. [Previous Program L 20]

3. Growth

GOAL B-3: ~~New B~~Policies that Moderate the Pace of Job Growth, with Priorities Given to B Businesses that Provide Needed Local Services and Municipal Revenues, Contribute to Economic Vitality, and Enhance the City's Physical Environment.

Comment [GG8]: Per City Council Motion

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

Comment [GG9]: PTC Suggestion

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

Comment [GG10]: PTC suggestion

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:*

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- 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]

POLICY B3.2 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 B3.3 Support the downtown Business Improvement District partnership, and encourage the development of other district associations. use of Explore grants and public/private partnerships as a means of redeveloping and revitalizing selected areas enhancing public amenities and other placemaking elements. [Previous Policy B-11]

Comment [GG11]: PTC changes

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

Comment [GG12]: PTC Suggestion

POLICY B3.7 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]

POLICY B3.8 Encourage businesses to commit to environmental and sustainable practices, including, where possible, local sourcing of materials. [PTC] [New Policy]

POLICY B3.9 Utilize the business registry to gather data on number of employees, size of business, square foot usage, and other metrics. [PTC] (New Policy)

4. Flexibility

GOAL B-4: 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 have minimal impacts on small and medium-sized local businesses. [PTC] [New Policy]

Comment [GG13]: Staff revision to PTC

Program B4.1.1 ~~Encourage streamlining of City administrative and regulatory processes wherever possible, to e-r~~Reduce inefficiencies, overlap, and time delays, ~~associated with these processes.~~ [Previous Policy B-16]

Comment [GG14]: PTC suggestions

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~~Program B4.1.5

~~Program B4.1.7~~—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 B4.1.8~~Program B4.1.6

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

POLICY B4.2 Increase opportunities for, and the feasibility of, artist- and nightlife-oriented businesses in Palo Alto. [PTC][New Policy]

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

Comment [GG15]: Deleted for inclusion in Goal L-4 of the Land Use Element, which calls for "Inviting pedestrian scale centers that offer a variety of retail and commercial services and provide focal points..."

5. Centers

GOAL B-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~~ environment. ~~through incentives such as reduced parking requirements, credit for on-street parking, and increases in allowable floor area. Use such incentives only where they are needed to stimulate redevelopment or contribute to housing or community design goals.~~ [Previous Policy B-17]

Comment [PW16]: Overlaps with -Land Use Goal L-4: Inviting pedestrian scale centers that offer a variety of retail and commercial services and provide focal points and community gathering places for the city's residential neighborhoods and employment districts

Comment [GG17]: PTC revision

Comment [GG18]: Staff revision

Comment [GG19]: Staff revision

Comment [GG20]: PTC deletion

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

Comment [GG21]: PTC revision

POLICY B5.2 Create incentives for providing multi-unit housing on top of parking lots in or near commercial centers and transit hubs. [Previous Policy B-18]

~~Use street corridor improvements as catalysts for economic revitalization in selected Centers. [Previous Policy B-19]~~

Comment [GG22]: Deleted due to Land Use Policy L-4.1 "Encourage the upgrading and revitalization of selected Centers in a manner that is compatible with the character of surrounding neighborhoods, without loss of retail and existing small, local businesses"

REGIONAL CENTERS

University Avenue/Downtown

Comment [GG23]: Program L4.6.2 "Prepare a Coordinated Area Plan for Downtown, encompassing the University Avenue Multi-modal Transit Station Area"

~~POLICY B5.3 Support, and enhance the University Avenue/Downtown area as a vital mixed use area containing retail, personal service, and office, restaurant, and entertainment uses. And rRecognize the importance of an appropriate retail balance mix, including small local businesses, to the continued economic vitality of Downtown. [Previous Policy B-20]~~

Comment [GG24]: Staff changes, to distinguish this policy from Land Use Element Policy L-4.5 "Maintain and enhance the University Avenue/Downtown area as a major commercial center of the City, with a mix of commercial, civic, cultural, recreational and residential uses. Promote quality design that recognizes the regional and historical importance of the area and reinforces its pedestrian character."

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, allow for the continued operation of automotive service uses, and district and~~ serve the needs of nearby neighborhoods. [Previous Policy B-21]

Comment [GG25]: PTC deletion, for creation of Program B5.5.1

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

Comment [GG26]: PTC revision

Comment [GG27]: PTC revision

MULTI-NEIGHBORHOOD CENTERS

California Avenue/Cal-Ventura

~~Maintain the existing local serving retail orientation of the California Avenue business district. Discourage development that would turn the district into a regional shopping area or intrude into adjacent residential neighborhoods. [Previous Policy B-23]~~

Comment [GG28]: Deleted due to overlap with Land Use Policy L-4.8 "Policy L-4.8 "Maintain the existing scale, character, and function of the California Avenue business district as a shopping, service, and office center intermediate in function and scale between Downtown and the smaller neighborhood business areas,"

~~POLICY B5.3~~ POLICY B5.7 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 . Encourage~~ the development of pedestrian-oriented neighborhood retail and office centers ~~along the El Camino corridor.~~ [Previous Policy B-25]

Comment [GG29]: PTC revisions

~~POLICY B5.4~~ 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 B5.4.1~~ Program B5.9.1 Identify opportunities ~~to create along El Camino Real where~~ a concentration of commercial services ~~to serve Stanford~~ Research Park employees and visitors. ~~might be created.~~ [Previous Program B-17]

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

Comment [GG30]: PTC revisions

Comment [GG31]: Moved from B-6 Employment District, per PTC

Comment [GG32]: PTC revision

Comment [GG33]: PTC revision

Comment [GG34]: Staff revision

Comment [GG35]: PTC revision

Town and Country Village

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

NEIGHBORHOOD-~~SERVING RETAIL~~ CENTERS

~~Support the upgrading and revitalization of Palo Alto's four three Neighborhood Commercial Centers.~~ [Previous Policy B-27]

POLICY B5.11 Maintain the existing mix of small and medium neighborhood-serving retail businesses in all neighborhood retail centers. [PTC] (New Policy)

POLICY B5.12 Support retention of grocery stores in neighborhood-serving retail districts. [PTC] (New Policy)

~~Program B5.4.2 Review the effect of size caps, parking requirements, and other land use restrictions on the viability and competitiveness of neighborhood centers.~~ [Existing Program B-13]

Comment [GG36]: PTC revision

Comment [PW37]: Deleted due to overlap with Land Use Policy L-4.14: Improve the local-serving focus, and provide safe pedestrian, bicycle, and multimodal access to all three Palo Alto Neighborhood Centers – Charleston Shopping Center, Edgewood Plaza, and Midtown Shopping Center. Support their continued improvement and vitality. [Previous Policy L-37]

Comment [GG38]: Action Complete

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]

~~Modify zoning regulations to allow convenience-oriented businesses such as restaurants and office support services within the Research Park. [Existing Program B-14]~~

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]

~~*Program B6.2.2 Study the feasibility of a “transfer of development rights” (TDR) program and other measures that would provide greater development flexibility within Stanford Research Park without creating significant adverse traffic impacts or increasing allowable floor area. [Existing Program B-16]*~~

~~POLICY B6.3 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 B6.3.1 Identify opportunities along El Camino Real where a concentration of commercial services serving Research Park employees and visitors might be created. [Existing Program B-17]*~~

~~*Program B6.3.2 Evaluate the location near the northwest corner of Page Mill Road and El Camino Real for a hotel and conference facility. [Existing Program B-18]*~~

Comment [GG39]: Deleted due to overlap with Policy L5.4.1 “Create and apply zoning standards and design guidelines for commercial hotels, conference centers, and possible residential or mixed-use projects in Stanford Research Park, particularly near El Camino Real.”

Comment [GG40]: Complete

Comment [GG41]: Moved to El Camino Real section, PTC

Comment [GG42]: Site now developed

POLICY B6.3 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

POLICY B6.5 ~~Encourage~~ ~~Discourage~~ actions that ~~would~~ ~~keep~~ ~~increase the cost of~~ business space in the San Antonio Road and East Bayshore areas ~~affordable~~. [Previous Policy B-33]

POLICY B6.6 Work with business owners and resident to create attractive design layouts and positive traffic solutions. [PTC] [New Policy]

Comment [GG43]: PTC revision