

BUSINESS AND ECONOMICS POLICY FRAMEWORK  
PALO ALTO COMPREHENSIVE PLAN UPDATE

## 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 ~~interdependence competing needs~~ of residents and ~~the contributions of~~ businesses ~~will be valued~~ ~~will be balanced~~ ~~recognized~~ 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.

**Comment [JJ1]:** This Element, like all Elements, has important connections to the Land Use Element, Transportation Element, and others. Staff and consultants are working on ways to highlight these linkages in both the online and hard copy Comp Plan documents.

## 1. ~~Compatibility Cooperation &~~ Interdependence

### GOAL B-1: A Thriving Business Environment that ~~is~~ Complements and Supports 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~~ Recognize that a thriving business environment can change is be compatible with the needs of complement and support Palo Alto neighborhoods. Similarly, healthy and stable neighborhoods can directly support Palo Alto businesses. [Existing Policy B-3 with revisions]
- POLICY B1.2 Support a strong interdependence between existing commercial centers and surrounding neighborhoods as a way of encouraging economic vitality. [Existing Policy B-2]
- ~~POLICY B1.3~~ POLICY B1.3 Recognize that Palo Alto's street tree system is an economic asset to the City. [Existing Policy B-3]
- ~~POLICY B1.3~~ POLICY B1.4 Recognize that businesses-employers and neighborhoods share many values and concerns, including addressing traffic and parking issues and preserving Palo Alto's livability, and need to work together. [New Policy]

## 2. Thriving Economy

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~~GOAL B-2: B-3: Policies that Moderate the Pace of Job Growth, with Priorities Given to New Businesses that Provide Needed Local Services and Municipal Revenues, Contribute to Economic Vitality, and Enhance the City's Physical Environment.~~

OR

~~GOAL B-2: An economically vibrant community with businesses and non-profit organizations that support the community at large and the City's fiscal health.~~

POLICY B2.1 Encourage new businesses that meet the City's business, and economic, and livability, goals, as articulated in this Plan and the City's other Economic Development Policies, to locate in Palo Alto. [Existing Policy B-9]

*Program B2.1.1 Implement the City of Palo Alto Office of Economic Development policy, as periodically amended, to guide business development in the City. [Existing Program B-2]*

POLICY B2.2 Promote Palo Alto's image as a business-friendly community. Assume an active role in fostering new businesses employers, particularly small start-ups, entrepreneurs, and start-up innovative businesses in emerging industries. [Existing Policy B-10]

~~Program B2.1.2~~ *Program B2.2.1 Improve the City's outreach to businesses, focused on identifying and addressing business concerns, and maintaining open communications between the business community, the public, and decision-makers. Include stakeholder meetings with retailers in this outreach. [NEW PROGRAM]*

POLICY B2.3 Maintain the fiscal health of the City through careful management and review of revenues and expenditures. [New Policy]

POLICY B2.4 Plan ahead to generate revenues that will support a full range of high-quality services and preserve Palo Alto's livability, including through a focus on retaining and attracting revenue-generating businesses. [New Policy]

POLICY B2.5 ~~Consider~~~~Encourage~~ the use of public private partnerships as a means of redeveloping and revitalizing selected areas where beneficial to achieving the City's goals and encourage the private sector to participate in partnerships with nonprofit or public agencies building owners and developers to provide space for non-profits or public agencies as one possible community benefits ~~when feasible~~ and services that would not otherwise be made available. [Existing Policy B-11 and B-12 revised]

*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]*

**Comment [JJ2]:** Infrastructure covered in Safety element. Land use modifications and public art covered in Land Use Element.

POLICY B2.6 Support the development of technologically advanced communications infrastructure and other improvements that will facilitate the growth of the emerging telecommunications industries that rely on telecommunications technology support the efficiency and vitality of local businesses and services. [Existing Policy B-13]

*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]*

**Comment [JJ3]:** Program complete.

~~Work with electronic information network providers to maximize potential benefits for Palo Alto businesses, schools, residences, and other potential users [Existing Policy B-14]~~

~~Allow the creative use of City utilities and rights of way to ensure competition among networks in providing information systems infrastructure [Existing Policy B-15]~~

**Comment [JJ4]:** Policies under this Goal have been re-ordered. Re-ordering is not shown in tracked changes.

### 3. Culture of Innovation & Business Diversity

GOAL B-3: B-2: A diverse mix of Commercial, Retail, and Professional Service Businesses The Stimulation of Viable Diverse Commercial, Retail and Professional Service Business Opportunities through Business Policies, a Culture of Innovation and, Balanced Economic Goals, and Diverse Local and Regional Serving Businesses.

~~GOAL B-3: Attract, retain, and encourage the growth of a range of businesses aligned with Palo Alto values, including those that provide revenues to the City, those that contribute to the City's reputation and commitment to innovation and sustainability, and those that serve local needs.~~

~~POLICY B-2.2~~ POLICY B3.1 Nurture and support Palo Alto's image as a global center of emerging innovation by technology by fostering innovation, supporting the established businesses technology sector as well as ~~and new~~ attracting new businesses employers. [Existing Policy B-4 with PTC revisions]

POLICY B3.2 A diversity of Bbusinesses that generate revenue for the City are crucial for its fiscal sustainability. Businesses of all kinds should be ~~encouraged~~ called upon to advance Palo Alto's the City's commitment to both fiscal and environmental sustainability. [New Policy]

~~Program B-2.2.1~~ Program B3.2.1 *Continue to refine tools such as the Business Registry as data sources on existing businesses, including the type of business, number of employees, size, location, and other metrics to track the diversity of Palo Alto businesses. [New Program – PTC]*

POLICY B3.3 Encourage and support the operation of ~~small, independent retail~~ businesses, and services that serve the community. [Revisions to Existing Policy B-7]

Program B3.3.1 *Work with local merchants to encourage Palo Alto residents, workers, and visitors to buy in Palo Alto. [New Program]*

Program B3.3.2 ~~, recognizing the growing threat to~~ *Study the impacts of on-line shopping on local, -traditional retail uses, and develop strategies to adapt. from on-line shopping. [New Program]*

~~Program B-2.2.2~~ Program B3.3.3 *Evaluate the effectiveness -of ground-floor retail requirements in preserving retail space. Consider*

locations where exceptions to this requirement could be allowed while still creating an active street environment.  
[New Program]

POLICY B3.4 Encourage the retention of sSmall businesses, non-profit organizations, and professional services, which are vital to a diverse and innovative economy. [New Policy]

Program B3.4.1 Consider incentives to encourage property owners to include smaller office spaces in their buildings to serve small businesses, non-profit organizations, and independent professionals. [New Program]

POLICY B3.5 ~~and the City will~~ Promote the growth of small businesses as Encourage their retention as they grow into larger, more established, medium sized businesses. ~~by helping them find suitable locations.~~  
[New Policy]

POLICY B3.6 Maintain distinct business districts as a means of retaining local services and diversifying the City's economic base. [Existing Policy B-5]

POLICY B3.7 ~~Maintain distinct neighborhood shopping areas that are attractive, accessible, and convenient to nearby residents. [(Existing Policy B-6)~~  
  
~~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]~~

POLICY B3.8 Explore opportunities to provide spaces for ~~conference centers,~~ arts and entertainment activities, and other creative and visitor uses, including through collaboration with Stanford and/or PAUSD. [New Policy – PTC]

~~Recognize that retail, service, dining, and entertainment businesses serve diverse clienteles and age groups and consider allowing appropriate late night or 24 hour amenities.~~ [New Policy]

**Comment [JJ5]:** Redundant with two Land Use Element policies:

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.

Policy L-4.15 - Encourage maximum use of Neighborhood Centers by ensuring that the publicly maintained areas are clean, well-lit, and attractively landscaped.

**Comment [JJ6]:** Redundant with Land Use Element Program L4.4.3 . 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.

## 4. Flexibility & Predictability

~~GOAL B-3:~~ **GOAL B-4: City Regulations and Operating Procedures that Provide Certainty, and Predictability and Flexibility and Help Businesses Adapt to Changing Market Conditions**

POLICY B4.1 Maintain a healthy business climate, which provides for flexibility and predictability when ~~businesses~~ employers are seeking City approvals. Encourage streamlining of City administrative and regulatory processes wherever possible. Reduce inefficiencies, overlap, and time delays associated with these processes. [Revision to Existing Policy B-16]

Program B4.1.1 *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 B4.1.2 *Improve design guidelines to reduce ambiguity and more clearly articulate design principles to the business community and to the public. [Existing Program B-7]*

Program B4.1.3 *Simplify the design review process for small-scale changes to previously approved site plans and buildings. [Existing Program B-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]*~~

~~*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 B3.1.1~~ Program B4.1.4 *Revise zoning and other regulations as needed to encourage the revitalization of aging retail areas. [Existing Program B-10]*

POLICY B4.2 Continue to provide "one stop" service at the Development Center and to consolidate inspections to the extent feasible. [New Policy]

~~POLICY B3.2~~ POLICY B4.3 Strengthen the role of the Office of Economic Development in both assisting businesses in navigating City procedures and

requirements, as well as facilitating communication between residents and businesses regarding needs and concerns. [New Policy]

## 5. Centers

### ~~GOAL B-4:~~ GOAL B-5: Attractive, Vibrant Business Centers, Each with a Mix of Uses and a Distinctive Character

#### ALL CENTERS

~~POLICY B4.1~~ — Where redevelopment is desired, encourage owners to upgrade commercial properties through incentives such as reduce parking requirements, credit for on-street parking, and increases in allowable floor area. Use such incentives only where they are needed to simulate redevelopment or contribute to housing or community design goals. ~~[Existing Policy B-17]~~

~~POLICY B4.2~~ — Create incentives for providing multi-unit housing on top of parking lots in or near commercial centers and transit hubs. ~~[Existing Policy B-18]~~

— Use street corridor improvements as catalysts for economic revitalization in selected Centers. ~~[(Existing Policy B-19) (Overlaps with Land Use Policy L-4.1)]~~

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

#### REGIONAL CENTERS

##### University Avenue/Downtown

~~POLICY B5.1~~ — Support and enhance the University Avenue/ Downtown area as a vital mixed use area containing retail, personal service, and office, restaurant, and entertainment uses. Recognize the importance of an appropriate retail mix, including small local businesses, to the continued vitality of Downtown. Recognize that downtown office workers support the downtown retail. ~~[(Existing Policy B-20) (Overlaps with Land Use Element Policy L-4.5)]~~

**Comment [JJ7]:** Redundant with Land Use Element 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.

**Comment [JJ8]:** Redundant with Land Use Element Program L4.8.1 - While preserving adequate parking to meet demand, identify strategies to reuse surface parking lots.

**Comment [JJ9]:** Redundant with Land Use Element Policy L-4.4 - Encourage street frontages that contribute to retail vitality in all Centers. Reinforce street corners in a way that enhances the pedestrian realm or that form corner plazas. Include trees and landscaping. And Program L4.5.4 - Identify priority street improvements that could make a substantial contribution to the character of Centers, such as widening sidewalks, narrowing travel lanes, creating medians, restriping to allow diagonal parking, and planting trees.

**Comment [JJ10]:** Redundant with Land Use Element Program L4.5.4 - Identify priority street improvements that could make a substantial contribution to the character of Centers, such as widening sidewalks, narrowing travel lanes, creating medians, restriping to allow diagonal parking, and planting trees.

~~Program B4.2.1~~ Program B5.1.1 *Actively work with Downtown businesses, professional associations and the Palo Alto Chamber of Commerce to retain successful existing small and medium-sized businesses. [New Program – PTC]*

### South of Forest Mixed Use Area (SOFA)

POLICY B5.2 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 serve the needs of nearby neighborhoods. [Existing Policy B-21]

### Stanford Shopping Center

POLICY B5.3 Work with appropriate stakeholders ~~Stanford University~~ to ensure that the Stanford Shopping Center is sustained as a distinctive, economically competitive, and high quality regional shopping center. [Existing Policy B-22 as edited by the PTC]

### MULTI-NEIGHBORHOOD CENTERS

#### California Avenue/~~Cal-Ventura~~

POLICY B5.4 Maintain the existing ~~local-serving~~ multi-neighborhood 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. [(Existing Policy B-23) (Overlap with Land Use Element Policy L-4.8)]

POLICY B5.5 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. [Existing Policy B-24]

**Comment [JJ11]:** Redundant with Land Use Element 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.

### El Camino Real

POLICY B5.6 Strengthen the commercial viability of businesses along the El Camino Real corridor by encouraging ~~Encourage~~ the development of pedestrian-oriented ~~neighborhood-retail~~ , services and housing office centers ~~along the El Camino corridor~~. [Existing Policy B-25 with PTC revision]

*Program B4.2.2—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]*

**Comment [JJ12]:** Diverse possibilities for future uses along El Camino Real are covered in Policy B5.6 above and Policy B6.4, below, as well as Land Use Element Programs for a South El Camino Coordinated Area Plan and a Downtown Coordinated Area Plan (which would cross El Camino).

## Town and Country Village

POLICY B5.7 Retain the local-serving retail character of Town and Country Village.  
[Existing Policy B-26]

## NEIGHBORHOOD-SERVING RETAIL CENTERS

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

*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 [JJ13]:** Redundant with Land Use Element 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.

**Comment [JJ14]:** Program complete.

## 6. Employment Districts

**GOAL B-5: 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. [Existing 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. [Existing Policy B-29]

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Program B6.2.1 ~~Modify zoning regulations to allow convenience-oriented businesses such as restaurants and office support services within the Research Park. [PROGRAM B-14]~~

Program B6.2.2 ~~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 B5.1.1~~ Program B6.2.3 ~~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 the 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. [Existing Policy B-30]

POLICY B6.4 Identify opportunities along the El Camino Real where a ~~concentration of~~ commercial services serving Research Park employees and visitors might be created. [Existing Program B-17]

~~Program B5.1.2~~ Program B6.4 ~~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]~~

POLICY B6.5 Encourage incubator businesses in Stanford Research Park. [Existing Policy B-31]

## STANFORD MEDICAL CENTER

POLICY B6.6 Support the approved buildout of the SUMC and 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. [Existing Policy B-32]

**Comment [JJ15]:** Redundant with Land Use Element Program 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 [JJ16]:** Site developed.

## **EAST BAYSHORE AND SAN ANTONIO ROAD/BAYSHORE CORRIDOR**

POLICY B6.7      Seek to balance increases in costs for business space with the need for ~~Encourage~~ the rehabilitation and replacement of outdated building space in ~~Discourage actions that could increase the cost of business space~~ in the San Antonio Road and East Bayshore areas, consistent with the East Meadow Circle Concept Plan as periodically amended from time to time. [Existing Policy B-33 with revisions]