

**--BUSINESS AND ECONOMICS ELEMENT – ANNOTATED OUTLINE
 FOR DISCUSSION JANUARY 17, 2017**

TEXT OR INTENT	NOTES
<p>Vision Statement</p> <p>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 the contributions of businesses-are both valued. 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. <u>Business Districts are attractive and m</u>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.</p>	<p>The City Council recommended retaining the existing vision statement.</p> <p>The subcommittee thought the tone could be improved to be more reflective of the business and economic content of this Element.</p>
<p>1. COMPATIBILITY COOPERATION & INTERDEPENDENCE</p>	<p>The subcommittee recommended changing this subject heading for Goal B-1 as shown.</p>
<p>GOAL B-1: A Thriving Business Environment that is Compatible with Palo Alto’s Residential Character and Natural Environment</p> <p style="text-align: center;">-OR-</p> <p>GOAL B-1: A Thriving Business Environment that Complements and Supports Palo Alto’s Values</p>	<p>The City Council recommended retaining this goal as is.</p> <p>The subcommittee wanted this goal to be more focused on the interrelatedness of businesses and residents (“We’re all in this together”). Suggest that an alternate statement be considered.</p>
<p>POLICY B1.1 Use a variety of planning and regulatory tools, including growth limits, to ensure <u>Recognize that a thriving business environment can change is compatible with the needs “of complement and support</u> Palo Alto neighborhoods. <u>Similarly, healthy and stable neighborhoods can directly support Palo Alto businesses.</u> [Previous Policy B-3 with revisions]</p>	<p>The subcommittee thought existing Policy B-1 should be adjusted to focus less on regulation and more on cooperation. The suggested revisions are intended to directly support the goal above.</p>

TEXT OR INTENT	NOTES
<p>POLICY B1.2 Support a strong interdependence between existing commercial centers and surrounding neighborhoods as a way of encouraging economic vitality. [Previous Policy B-2]</p>	<p>The subcommittee thought existing Policy B-2 should be retained.</p>
<p>POLICY B1.3 Recognize that Palo Alto’s street tree system is an economic asset to the City Recognize that businesses and neighborhoods share many values and concerns, including addressing traffic and parking issues and preserving Palo Alto’s livability, and need to work together. [Previous Policy B-3]</p>	<p>The subcommittee thought this existing Policy B-3 could be eliminated since urban forestry is addressed in other elements.</p> <p>The CAC could consider this alternate policy about the interdependence of businesses and residents –and that livability will only get better if residents and business owners work together.</p>

<p>3. GROWTH 2. THRIVING ECONOMY</p>	<p>The subcommittee thought this subject heading for Goal B-3 should be changed and existing Goal B-3 should be moved ahead of existing Goal B-2.</p> <p>Some members of the subcommittee thought this should be the first goal.</p>
<p><u>GOAL B-3 New B-2: 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</u></p> <p style="text-align: center;">-OR-</p> <p><u>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.</u></p>	<p>The City Council recommended the changes shown to this goal. The subcommittee recommended an alternate statement drawn from the City's Office of Economic Development policy statement. A possible option is shown here.</p>
<p>Policy B2.1 Encourage new businesses that meet the City's business, and economic, goals as articulated in this Plan and the City's other <u>Economic Development Policies</u> to locate in Palo Alto. [Existing Policy B-9]</p>	<p>The subcommittee did not want to insert "quality of life" as suggested by the PTC.</p>
<p>Policy B2.2 Promote Palo Alto's image as a business-friendly community. Assume an active role in fostering new businesses, particularly small, start-up innovative businesses in emerging industries. [Existing Policy B-10]</p>	<p>The subcommittee discussed the extent to which "start up" is a useful adjective and suggested substituting the word "innovative."</p>
	<p><i>Insert a program here (in lieu of existing Program B-2) about how the City should implement this policy.</i></p>
<p>Policy B2.3 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 community benefits when feasible and services that would not otherwise be made available. [Existing Policy B-11 and B-12 revised]</p>	<p>The subcommittee discussed focusing this policy on the concept of community benefits. Staff has suggested wording to do this and to combine the two existing policies.</p>

	<p><i>Existing Program B-3 calls for evaluating opportunities for public-private partnerships on an ongoing basis and seems unnecessary given the policy suggested above.</i></p>
<p>Policy B2.4 Support the development of technologically advanced communications infrastructure and other improvements that will support facilitate the growth of the emerging telecommunications industries businesses that rely on telecommunications technology. [Existing Policy B-13]</p>	<p><i>This existing Policy and existing Program B-4 supported the fiber optic ring that has been constructed since 1989. The topic of telecommunications is covered in the Safety Element. This Policy is kept because it relates to support for businesses. The Program B-4 is eliminated.</i></p>
<p>Policy B-2.5 Work with electronic information network providers to maximize potential benefits for Palo Alto businesses, schools, residences, and other potential users [Existing Policy B-14]</p>	<p>This policy should be merged with similar policies in the Safety Element.</p>
<p>Policy B-2.5 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]</p>	<p>Now covered by Policy B2.4.</p>

<p>2-3. Culture of Innovation & Business Diversity</p>	<p>The subcommittee thought this subject heading for Goal B-2 should be expanded as shown and the order should be changed.</p>
<p>GOAL B-3 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.</p> <p style="text-align: center;">-OR-</p> <p>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.</p>	<p>The City Council recommended the changes shown to this goal. The subcommittee recommended an alternate statement drawn from the City’s Office of Economic Development policy statement. A possible option is shown here.</p>
<p>Policy B3.1 Nurture and support <u>Palo Alto’s image as a global center of innovation by supporting</u> established businesses as well as new businesses. [Previous Policy B-4 with PTC revisions]</p>	<p>Existing Policy revised to be more about Palo Alto’s “brand.” This is in lieu of the PTC’s suggestion that there be a policy about enhancing “the City’s attractiveness to entrepreneurs, venture capitalists, and investors by fostering an environment attractive to new businesses and start-ups.” Additional edits welcome!</p>
<p>Policy B3.2 Maintain distinct business districts as a means of retaining local services and diversifying the City’s economic base. [Previous Policy B-5]</p>	<p>Existing policies about convenient commercial districts consolidated and supplemented by a policy specific to retail, see Policy B3.4, below. The Land Use Element has extensive policy direction on commercial districts that should not be duplicated here.</p>

<p>Policy B3.3 Maintain distinct neighborhood shopping areas that are attractive, accessible, and convenient to nearby residents. [(Previous Policy B-6) (Deleted for placement as a new Policy in Goal L-4 of Land Use Element)]</p>	<p>Redundant with Land Use Element policies, e.g. Policy L-4.15: 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.</p>
<p>Policy B3.4 Encourage and support the operation of small, independent <u>retail businesses and services that serve the community, recognizing the growing threat to traditional retail uses from on-line shopping.</u> [Revisions to Previous Policy B-7]</p>	<p>The subcommittee suggested the CAC consider an explicit statement regarding threats to traditional retail.</p>
<p>Policy B3.5 Encourage the renovation and reuse of long-term vacant buildings. [(Previous Policy B-8) (Duplicate of Policy L-2.4 in Land Use Element)]</p>	<p>The subcommittee suggested that businesses can help renovate and reuse vacant buildings.</p>
<p>Policy B3.6 <u>Businesses that generate revenue for the City are crucial for its fiscal sustainability and businesses of all kinds should be called upon to advance the City’s commitment to environmental sustainability.</u> [New Policy]</p>	<p>The subcommittee suggested a policy directly supporting the goal – something about how businesses diversity and revenue generation are critical for economic sustainability.</p>
<p>Policy B3.7 Explore opportunities to provide spaces for conference centers, <u>arts and entertainment activities, and other creative and visitor uses.</u> [One of two PTC policies on this issue]</p>	<p>The subcommittee was ambivalent about including the PTC’s recommended policies to support a conference center and visitor uses.</p>
<p>Policy B3.8 <u>Small businesses are vital to a diverse and innovative economy, and the City will encourage their retention as they grow into larger, more established businesses by helping them find suitable locations.</u> [New Policy]</p>	<p>The subcommittee wanted to support small businesses and their growth in Palo Alto.</p>
<p>Policy B3.9 <u>Recognize that retail, service, dining, and entertainment businesses serve diverse clienteles and age groups and consider allowing appropriate late-night or 24-hour amenities.</u> [New Policy]</p>	<p>The subcommittee wanted a policy that included the need to serve Palo Alto’s diverse clientele- including all age groups.</p>

<p>4. Flexibility & <u>Predictability</u></p>	<p>The subcommittee thought this subject heading for Goal B-4 should be expanded as shown.</p>
<p>GOAL B-4: City Regulations and Operating Procedures that Provide Certainty, and Predictability <u>and Flexibility</u> and Help Businesses Adapt to Changing Market Conditions</p>	<p>The City Council recommended retention of existing Goal B-4.</p>
<p><u>Policy B4.1</u> Maintain a healthy business climate, which provides for flexibility and predictability when businesses 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]</p>	<p>The subcommittee suggested policies focus on the business climate, ensuring predictability and flexibility.</p>
	<p><i>Insert a program or programs here (in lieu of existing Programs B-5 through 10) about how the City should implement this Policy.</i></p>
<p><u>Policy B4.2</u> Continue to provide “one stop” service at the Development Center and to consolidate inspections to the extent feasible. [New Policy]</p>	<p>A new policy that reflects the establishment of a Development Center since the last Comp Plan.</p>

<p>5. Centers</p>	<p>The subcommittee questioned whether Goal B-5 and B-6 should be combined. They also wanted to eliminate redundancies between the policies here and the Land Use Element.</p> <p>Options: Some subcommittee members thought Goal B-5 and B-6 could be eliminated.</p>
<p>GOAL B-5: Attractive, Vibrant Business Centers, Each with a Mix of Uses and a Distinctive Character.</p>	<p>Overlaps with Land Use Element Goal L-4. The City Council recommended retaining existing Goal B-5.</p>
<p>All Centers</p>	
<p>Policy B-5.1 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]</p>	<p>Overlaps with Land Use Element, so this Policy eliminated. The proposed Land Use Element Policy L-4.1 says “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.”</p>
<p>Policy B-5.2 Create incentives for providing multi-unit housing on top of parking lots in or near commercial centers and transit hubs. [Previous Policy B-18]</p>	<p>Policy will be moved to Land Use Element. If referencing city-owned lots, then the decision to move forward will be needed, rather than incentives. Are there other private lots and centers where this policy is still relevant?</p>
<p>Policy B-5.3: Use street corridor improvements as catalysts for economic revitalization in selected Centers. [(Previous Policy B-19) (Overlaps with Land Use Policy L-4.1)]</p>	<p>Still relevant.</p>

<p>Regional Centers</p> <p>University Avenue/Downtown</p>	<p>Similar to Land Use Element Program L4.6.2 “Prepare a Coordinated Area Plan for Downtown, encompassing the University Avenue Multi-modal Transit Station Area.”</p>
<p>Policy B-5.4: 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. <u>Recognize that downtown office workers support the downtown retail.</u> [(Previous Policy B-20) (Overlaps with Land Use Element Policy L-4.5)]</p>	<p>Removed the language that is redundant with the Land Use Element Policy L-4.5. The proposed Land Use Element says “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.” (The PTC recommended a policy reflecting a mix of retail-dining-entertainment and housing downtown.</p> <p>Option: The subcommittee discussed a policy acknowledging that ground floor retail will only be viable in the commercial core.</p>
	<p><i>Need to consider if any programs are needed here. The PTC suggested several: working with the Chamber on business retention, targeting desirable types of businesses (business attraction), and adding urban design elements on cross streets.</i></p>

<p>South of Forest Mixed Use Area (SOFA)</p>	
<p>Policy B-5.5: 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 serve the needs of nearby neighborhoods. [Previous Policy B-21]</p>	<p><i>PTC recommended deletion of automotive service uses and putting that in a new program instead.</i></p>
<p>Stanford Shopping Center</p>	
<p>Policy B-5.6: Work with <u>appropriate stakeholders</u> Stanford University to ensure that the Stanford Shopping Center is sustained as a distinctive, <u>economically</u> competitive, high quality regional shopping center. [Previous Policy B-22 as edited by the PTC]</p>	
<p>Multi-Neighborhood Centers</p> <p>California Avenue/Cal-Ventura</p>	
<p>Policy B-5.7: 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) (Overlap with Land Use Element Policy L-4.8)]</p>	<p>Deleted due to overlap with the proposed Land Use Policy L-4.8. The proposed Land Use Element says “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 smaller neighborhood business areas.”</p>
<p>Policy B-5.7: 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]</p>	
<p>El Camino Real</p>	
<p>Policy B-5.8: Strengthen the commercial viability of businesses along <u>the El Camino Real corridor by encouraging</u> Encourage the development of pedestrian-oriented neighborhood retail and office centers along the El Camino corridor. [Previous Policy B-25 with PTC revision]</p>	

	<p><i>Consider whether to retain or modify the existing programs here (Programs B-17 and B-12). These address concentrating commercial services near the Research Park and identifying sites along El Camino “that would be suitable for Neighborhood Centers.”</i></p>
<p>Town and Country Village</p>	
<p>Policy B-5.9: Retain the local-serving retail character of Town and Country Village. [Previous Policy B-26]</p>	
<p>Neighborhood-Serving Retail Centers</p>	<p>PTC revision</p>
<p>Policy B-5.10: Support the upgrading and revitalization of Palo Alto's four Neighborhood Commercial Centers. [(Previous Policy B-27) (Overlap with Land Use Element Policy L-4.14)]</p>	<p>Deleted- The proposed Land Use Element Policy L-4.14 says “Improve the local-serving focus, and provide safe pedestrian, bicycle, and multimodal access to all three Palo Alto Neighborhood Centers... Support their continued improvement and vitality.”</p> <p>(The PTC suggested new policies about a mix of small and medium sized retail businesses and about grocery stores.)</p>
	<p><i>Consider whether to retain or modify the existing program here (Program B-13) about reviewing “the effect of caps, parking requirements, and other land use restrictions on the viability and competitiveness” of the centers.</i></p>

<p>6. Employment Districts</p>	<p>The subcommittee questioned whether Goal B-5 and B-6 should be combined. They also wanted to eliminate redundancies between the policies here and the Land Use Element.</p>
<p>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</p>	<p>The City Council recommended retaining existing Goal B-6.</p>
<p>Stanford Research Park</p>	
<p>Policy B-6.1: Support the positive relationship between the local business community and Stanford University faculty, alumni, and administrators. [Previous Policy B-28]</p>	
<p>Policy B-6.2: Facilitate Stanford’s ability to respond to changing market conditions that support the long-term viability of the Research Park. [Previous Policy B-29]</p>	
	<p><i>Consider if any of the existing programs (Programs B-14 through 16) should be carried forward here. They address exploration of zoning changes about restaurants and office support services, the use of TDRs, and other, unspecified regulations. Existing Program B-14 deleted due to overlap with Land Use Element Program L5.4.1.</i></p>
<p>Policy B-6.3: Encourage commercial investment and activity along El Camino Real that complements the Stanford Research Park and enhances its physical appearance. [Previous Policy B-30]</p>	<p>PTC suggested moving this to the El Camino section. Alternately, it could be tailored more specifically to the El Camino frontage of the Research Park.</p>

	<p><i>Consider modifying existing Program B-18 here to talk about evaluating the Page Mill Square frontage as a potential location for housing/mixed use.</i></p>
<p>Policy B-6.4: Encourage incubator businesses in Stanford Research Park. [Previous Policy B-31]</p>	
<p>Stanford Medical Center</p>	
<p>Policy B-6.5: <u>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.</u> [Previous Policy B-32]</p>	<p>Updated to reflect ongoing build-out of the SUMC project.</p>
<p>East Bayshore and San Antonio Road/Bayshore Corridor</p>	
<p>Policy B-6.6: <u>Encourage the rehabilitation and replacement of outdated building space in</u> 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 amended from time to time. [Previous Policy B-33 with revisions]</p>	<p>Amended to reflect the East Meadow Circle Concept Plan.</p>