

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 of residents and businesses will be 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.

1. *Compatibility & Interdependence*

GOAL B-1: A Thriving Business Environment that Complements and Supports Palo Alto's Residential Character and Natural Environment.

POLICY B1.1	Recognize that a thriving business environment can 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	Recognize that Palo Alto's street tree system is an economic asset to the City. [Existing Policy B-3]
POLICY B1.4	Recognize that 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*

GOAL B-2: Businesses that Provide Needed Local Services and Municipal Revenues, Contribute to Economic Vitality, and Enhance the City's Physical Environment.

POLICY B2.1 Encourage new businesses that meet the City's business, 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 employers, particularly small start-ups, entrepreneurs, and innovative businesses [Existing Policy B-10]

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 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 benefit and services that would not otherwise be made available. [Existing Policy B-11 and B-12 revised]

POLICY B2.6 Support the development of technologically advanced communications infrastructure and other improvements that will support the efficiency and vitality of local businesses and services. [Existing Policy B-13]

3. Culture of Innovation & Business Diversity

GOAL B-3: The Stimulation of Diverse Commercial, Retail and Professional Service Business Opportunities through Business Policies, a Culture of Innovation and Balanced Economic Goals.

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

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

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 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 Study the impacts of on-line shopping on local, traditional retail uses, and develop strategies to adapt. [New Program]

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 small 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 Promote the growth of small businesses as they grow into, more established, medium sized businesses. [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 Explore opportunities to provide spaces for arts and entertainment activities, and other creative and visitor uses, including through collaboration with Stanford and/or PAUSD. [New Policy – PTC]

4. Flexibility & Predictability

GOAL B-4: City Regulations and Operating Procedures that Provide Certainty, 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 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. [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]

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

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. [(Existing Policy B-20) (Overlaps with Land Use Element Policy L-4.5)]

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 and serve the needs of nearby neighborhoods. [Existing Policy B-21]

Stanford Shopping Center

POLICY B5.3 Work with appropriate stakeholders 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

POLICY B5.4 Maintain the existing 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]

El Camino Real

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

Town and Country Village

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

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. [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]
- 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 the allowable floor area. [Existing Program B-16]*
- POLICY B6.3 Encourage 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 commercial services serving Research Park employees and visitors might be created. [Existing Program B-17]
- 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 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]

EAST BAYSHORE AND SAN ANTONIO ROAD/BAYSHORE CORRIDOR

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