



**COMPREHENSIVE PLAN UPDATE
CITIZENS ADVISORY COMMITTEE
AT PLACES MEMO
Tuesday, February 21, 2017**

The following documents are attached for your review and information:

1. CAC member Jennifer Hetterley's comments
2. CAC member Hamilton Hitching's comments
3. CAC member Bonnie Packer's comments
4. CAC member Annette Glanckopf's comments
5. CAC member Steve Levy's editorial published in Palo Alto Online.

Public Comments

1. Sheri Furman's PAN letter to CAC
2. Rita Vrhel's Transcript of 1/30/2017 City Council Meeting

February 21, 2017

Jennifer Hetterly's Comments on draft Business and Economics Element of the Comp Plan.

Preamble/Narrative

Sales Tax Revenue Charts

The charts in Figures B-2 and B-3, especially when taken together, are confusing and possibly misleading.

Figure B-2 (page B-4): This chart appears to show TOTAL sales and use tax revenue (by geographic area), not Palo Alto's share (about 11% of the totals shown?). If that is the case, it should be clearly labeled as such so as to avoid misunderstanding of the direct fiscal impacts on the City.

For example, the data provided by SRP in the CAC packet indicates TOTAL SRP sales and use tax revenues for 2015 were \$3.2M. Palo Alto's share was but a small portion of that, somewhere between \$300,000 and \$400,000. The rest went to the State or toward special taxes.

With Palo Alto receiving 1% (out of total 8.75%) of sales tax revenues, isn't Palo Alto's share, across all the geographic areas shown in Figure B-2, on the magnitude of \$2.5M?

Fiscal Health narrative states that Figure B-3 (page B-6) shows **City** revenues, including \$30M in sales taxes. That exceeds the TOTALS shown in B-2 (State + CPA + Special Taxes) by almost \$10M.

Please explain the source of the \$30M in sales tax revenue to the City and clarify the charts to avoid confusion/misunderstanding.

Stanford Research Park

End of first paragraph, add "and parking pressures."

THRIVING ECONOMY

Goal B-1

Language unclear, just a list of types of businesses, no verb. Restore "Policies that Moderate the Pace of Job Growth, with Priorities Given to ..."

Given intense local and regional criticism of Palo Alto's jobs/housing imbalance, and its undeniable impacts on both the City's fiscal health and the local/regional economy (and quality

of life), it is fundamentally irresponsible for the City not even to strive for moderation in the pace of job growth in the Comprehensive Plan.

COMPATIBILITY AND INTERDEPENDENCE

With revisions to Policy B-2.3, there are NO policies or programs in this section about “Compatibility” or about ensuring that the thriving business environment “complements” Palo Alto’s residential neighborhoods. Needs to be strengthened.

Policy B-2.1 needs editing. Disjointed juxtaposition of local-serving retail and local employment. Also, policy would be much stronger and more useful if it called for something more than just “recognition” of a value. Maybe: “Support local serving retail, recognizing that it is highly valued by Palo Alto residents and creates opportunities for strong community connections and car trip reductions.”

Then separate, similar Policy about local employment: “Explore strategies to encourage local hiring, recognizing that local employment reduces commute times and regional traffic congestion and builds stronger connections between businesses and the community.”

Policy B-2.3 This policy is fine, but alone, it is insufficient to replace existing Policy B-3. Yes, there should be coordination around traffic and parking, but if eliminating all reference to regulation and growth limits, there should also be a policy seeking to manage other growth impacts.

Missing Policy B-2.5 about “street tree system” is referenced as revised in the staff report, but the policy does not appear at all in the mark-up. What and where is the language?

PREDICTABILITY AND FLEXIBILITY

Policy B-4.4 Revise to read: “Concentrate large employers in the Stanford Research Park.”

This policy should be about the City’s interest in concentrating large businesses in the SRP. Retaining and attracting businesses in SRP is Stanford’s role, not the City’s. The City can facilitate that through zoning for what the City deems are appropriate sizes in appropriate places.

Policy B-4.6 Small, independent and community serving businesses, as distinct from just any retail business, are valued in PA. And at increasing risk due to proliferation of chain and box stores and outsized rents. Restore “small, independent” and “that serve the community.”

Program B-4.6.2 Surely retail associations are already studying the impacts of on-line shopping. Better policy would be to “Collaborate with local retail to develop strategies to adapt to on-line shopping and preserve retail access to viable and affordable locations.”

Policy B-5.3 Strengthening of Office of Economic Development role must include “attracting and retaining local serving retail and services,” (not just communication b/wn residents and businesses and navigating procedures as listed).

February 21, 2017

Hamilton Hitchings's Comments on draft Business element and Comprehensive Plan

I would like to make sure there is significant time on the agenda for a discussion of the last City Council meeting on the Land Use & Transportation Element and in particular, the removal of all programs from the Comp Plan. In terms of the business element:

I feel this element has been improved in-terms of its focus on being businesses friendly and does a better job of emphasizing the City's fiscal health. It has definitely been watered down in-terms of its focus on neighborhood livability but given the productive discussion we had in the last subcommittee meeting, I really only have one recommended addition I would like to see in that regard, which is to add back in a stripped down version of policy B-1 from the original 2007 version of the element, which would now go under Goal 2 as the last policy:

Policy: Use a variety of planning and regulatory tools, to ensure that business change is compatible with Palo Alto neighborhoods.

Although my colleagues in the subcommittee were not enthusiastic about it, I also am still advocating for retaining a revised version of the policy on our city trees under the new Goal 2:

Palo Alto means Tall Tree and its flourishing tree system is part of its brand along with other assets such as its great city services and its adjacency to Stanford University.

Hamilton

Feb 21, 2017

Bonnie Packers Comments on the draft Business and Economics Element of the Comp Plan.

[Items in **Bold Face** indicate comments on the substance. The other comments relate to style and grammar.]

ADD at the end of the Employment Section in the introductory narrative:

While employment is high for tech workers, however, at the time of the drafting of this plan, employers are unable to find sufficient workers for the restaurants and hotels that who serve the high tech companies. The City recognizes the importance of providing affordable housing and efficient transit opportunities for the varied types of employees needed by different types of business. Please refer to the Land Use, Transportation and Housing Elements of this Plan.

Figure B-3. Clarify in the title of these charts that these are City of Palo Alto Revenues and Expenses.

Add the following Policy from Goal B-5 to Goal B-1. It could be Policy B-1.7:

Policy B-5.4 Businesses of all kinds should be encouraged to advance Palo Alto's commitment to both fiscal and environmental sustainability. [NEWPOLICY] [B32]

Policy B1.1– What are “City service requirements”? Spell this out.

Policies under Goal B-2: I don't understand the use of the verb “recognize” in the context of the comp plan. Use a more pro-active language: Suggested rewrites:

Policy B-2.1 Support local-serving retail because such retail is valued by Palo Alto residents, provides opportunities for local employment to reduce commute times and traffic congestion and creates a stronger connection to the community. [NEW POLICY] [B8]

Policy B-2.3 Encourage coordination between businesses and neighborhoods on shared concerns such as traffic and parking issues. [NEW POLICY] [B10]

Policy B-3.2 This policy needs an introductory verb: Suggested rewrite:

Policy B-3.2 Support a diversity of businesses that generate revenue for the City to enhance the City's fiscal sustainability. [NEW POLICY] [B12]

Program B3.2.1 Add “and to inform planning decisions.” to the end of this Program.

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 and to inform planning decisions.

[NEW PROGRAM – PTC] [B13]

Policy B-3.3 This is poorly written. Here is a suggested rewording:

Policy B-3.3 Develop strategies for promoting, attracting and retaining businesses and employers that generate revenues for the City to support a full range of high-quality City services. ~~including retain and attract businesses.~~[NEW POLICY] [B14]

I suggest adding some clarifying language to Program B4.6.2 as follows:

Program B4.6.2 Study the impacts of on-line shopping on local, traditional retail uses, and develop strategies to adapt. Evaluate which types of brick-and-mortar retail businesses are most likely to be successful and which are the most optimal locations for these retain businesses.
[NEW PROGRAM][B22]

Program B5.1.4 Please explain what Class B and C office spaces are.

Goal B-6. **Add Town and Country back in as a Regional Center.** (There are overlaps with the other centers in the Comp Plan, so this is a poor justification for omitting it in this Element.)

ADD: Policy B-6.4: Recognize and preserve Town and Country Village as an attractive retail center serving Palo Altans and residents of the wider region.

Move the following to Goal B-1:

Policy B-5.4 Businesses of all kinds should be encouraged to advance Palo Alto's commitment to both fiscal and environmental sustainability. [NEWPOLICY] [B32]

Goal B-7 Business Employment Districts

Add a general policy for this Goal that refers readers to the Land Use and Transportation Elements which support housing and transit opportunities to support the employees, and therefore the employers, in these Employment Districts. [See my suggested language for the narrative at the beginning of my comments]

Feb 21, 2017

Annette Glanckopf's Comments on the draft Business and Economics Element of the Comp Plan.

General/Introduction:

This still reads too much like a PR announcement from the Chamber. The Intro is much too flowery for my taste. I do not remember ever discussing "Shuttles serving retail centers"

On Page B7 re the Office of Economic Development. I would like to know how the OED plays a key role in promoting local businesses. It looks like this is a future goal and should be stated as such. So the wording should be the OES should play or will play.

The introduction also states the OED will be a facilitator in some sort of role between residential and business. I do not think that should be the role of the OED. It could belong in Planning or Building., if we plan to support this function.

Goal B1: Proram B1.1.1 Implement the OED policy..**Of course this will be academic if the program is removed** but reword "Implement" to "Direct" or "Prioritize"

Policy B.1.6 Partnership between public and private to provide space for community non-profits. While I support the goal it would be great to include the concept of private sector to provide meeting space for the community.

Goal B2: Policy B2.1 I support Jennifer Hetterly's revised wording

Support local serving retail, recognizing that it is highly valued by Palo Alto residents and creates opportunities for strong community connections and car trip reductions."

I SAW THIS TOO: *Missing Policy B-2.5 about "street tree system" is referenced as revised in the staff report, but the policy does not appear at all in the mark-up. What and where is the language?*

Goal B2 Policy B2.2 and B2.3: While it is a nice idea to "support an interdependence between commercial and neighborhoods" – this is meaningless without programs to address this. To make this work, there needs to be the right type of retail and some plan neighborhood center plan to reach out and work with the residents. (Shop Palo Alto failed in past). I think there should be something to encourage the 3 small neighborhood centers (at least Midtown and Edgewood) to forma merchant's association.,

I would omit Policy B2.3. I think this is fluff and should be covered in transportation.

I support Jennifer Hetterly's comment

With revisions to Policy B-2.3, there are NO policies or programs in this section about "Compatibility" or about ensuring that the thriving business environment "complements" Palo Alto's residential neighborhoods. Needs to be strengthened.

GOAL 4: Policy B.4.6 Need to add “small independent local serving” to the type of retail we want especially in our neighborhood centers, on El Camino and on the Fry’s site.

Program B4.6.3: Not sure the reason behind this program. It seems obvious. Most of the retail that is going out of business is due to the exorbitant rents and rent increases. Another reason is retail in the wrong location. If we had a savvy OED, this could be fine-tuned.

GOAL 5: Totally agree with Jennifer. OED needs to attract businesses to right location and assist in keeping them. This is especially true in neighborhood commercial..

Policy B-5.3 Strengthening of Office of Economic Development role must include “attracting and retaining local serving retail and services,” (not just communication b/wn residents and businesses and navigating procedures as listed).

In Goal B7 Policy B7.3: I’m not sure of the intent “commercial services” in the Research Park. I would not support retail there. If you mean something like customers going to see a Tesla showroom and purchasing cars, I could concur.

Steve Levy's Editorial in Palo Alto Online



<http://paloaltoonline.com/print/story/print/2017/02/10/guest-opinion-city-council-makes-wise-decisions-on-land-use>

Spectrum - February 10, 2017

Guest Opinion: City Council makes wise decisions on land use

by Steve Levy

Last week the Palo Alto City Council reviewed a series of policy and program choices sent to them by the Citizen's Advisory Committee (CAC) and staff. A Weekly editorial spoke of a "reckless majority." Councilman Tom DuBois went further in an op-ed using words like "democracy is hijacked" and "massacred our Comprehensive Plan" and referred to his council colleagues as "wolves in sheep's clothing."

I have a different perspective from serving on the CAC, the CAC Land Use Subcommittee and serving on the committee discussing performance standards and community indicators. Before I get to the editorial and op-ed I want to mention two achievements at the meeting that are important for democracy and Comp Plan goals.

First was the mayor's decision to allow public speakers before the first round of council comments and questions. This also happened at this week's council meeting. Second was the positive engagement between council and representatives from Stanford University on the possibilities on Stanford land in the city for more housing and transportation-demand-management success — goals desired by the CAC and critical for Comp Plan success.

The main issues for land use discussed at the meeting concerned a series of policy and program choices that did not have consensus among CAC members. Three of these choices were decided quickly and mostly with a large council majority. These include (1) maintaining a cumulative cap on commercial development citywide, (2) supporting exploration of housing on Stanford lands within the city and (3) removing performance standards from the Comp Plan.

With regard to performance standards, a large majority of the CAC, after hearing from a subcommittee on this issue, decided that these standards were not ready for immediate inclusion in the Comp Plan and would take an enormous amount of staff, CAC and council time to develop agreement.

With regard to building heights for housing and mixed housing/retail projects, there was no CAC consensus, which is why choices were brought to council. In fact a majority of the CAC favored some exceptions to the height limit. The council saw no clear majority and took the issue out of the Comp Plan so there could be *more* debate, not less, in light of changing resident positions as evidenced by the large number of speakers in the public comment period favoring more housing.

As was typical of most votes during the meeting, the vote here was not 5-4 but was 6-3 with council member Filseth joining the majority. A public tabulation of votes will show that the large majority of land use votes were not 5-4. The Weekly or staff would do a service by tabulating the number of times each vote margin occurred.

There was a wide difference of opinion on the CAC as in the community about the merits of the other caps as an appropriate or most effective approach to handling the impacts of commercial development. So the council left debate and decision on most of these issues for later as the ordinances come before council. Since there is no consensus in the community, the council decided to hear more debate as the issues come up again.

The most serious charge as I read the editorial and DuBois op-ed is that the council moved programs out of the Comp Plan for later individual review and implementation and that this action rejects public input and compromise and wastes enormous amounts of time and money. There is, however, precedent for doing this. Last year, the council opted to have a Sustainability/Climate Action Plan that included only high level policies and, at the request of staff, asked for programs to be located separately.

I agree with the council majority that this is a wise choice and preserves the ability to adapt to changes in the economy and public input and allows staff and council to develop programs as needed. The programs that were put aside for separate consideration are not scrapped or lost. Moreover, it is good to remember both that designing programs takes extensive staff and council time and that few programs in the last Comp Plan were actually implemented.

We should not let disagreements on the direction of the city or how best to develop and implement programs lead to inflammatory language and accusations. The decisions were neither reckless or a hijacking of democracy. The council accepted strong consensus where it existed, kept open debate where no clear consensus has emerged, infused flexibility into a plan that lasts until 2030 and made room for extensive public participation as programs comes before council. These actions strengthen local participation and democracy.

Steve Levy is an economist and consultant to public agencies and private companies, specializing in the California economy and demographic trends. He is a member of the Comprehensive Plan Citizens Advisory Committee. He has a blog, "Invest & Innovate," at PaloAltoOnline.com/blogs.

PUBLIC COMMENTS

February 20, 2017

Sheri Furman's PAN Letter to CAC Members

Dear CAC Members,

On behalf of the Palo Alto Neighborhoods Steering Committee, I am writing with concerns about the recent Council decision to remove programs from the Land Use and Transportation elements of the Comprehensive Plan. We support the issues raised by the recent letters you received from several CAC members.

We agree that decoupling programs from their related policies and placing them outside the body of the element weakens the policies these programs are supposed to support. Had a "program-less" Comp Plan been the goal from the outset, then surely Policies would have been crafted in a different manner in absence of the underlying programs that define and enact the policies.

In the Palo Alto Weekly January 30 article, Mayor Greg Scharff said (referring to the Programs), "It's not being deleted. It's being put aside and we're saying (that) as these implementations become feasible with staff time, we'll move forward on them, assuming the council wants to."

So who makes the decision as to if and when programs are considered for implementation? According to Mayor Scharff during the January 30 meeting, "if staff thinks we should move forward or a council member thinks we should move forward at that point we will move forward" and that staff wouldn't have to spend the time if there was no push from either a council member or staff itself.

As former Mayor Burt noted, "It was clearly stated that these Programs may or may not be taken up over the 13 year or longer duration of the Comp Plan. Absent a future Council action outside of the Comp Plan, these programs would not proceed."

Should every Council get to change or stop programs they don't favor? Programs need to be multi-year efforts supporting goals and policies, not items to be implemented or discarded at whim.

The biggest problem—one you all should be offended by—is the process by which this was decided. This action should have been brought up months ago and certainly could have been proposed at the beginning of the January 30 discussion rather than blind-siding the public and half the Council by proposing it half an hour before the end of the meeting, thus allowing no thoughtful consideration of the pros and cons of the proposal by either the CAC or the public.

According to Council member Wolbach, "the goal of the Comp Plan is to lay out our values , our vision, our high level polices ... and specific programs, and the implementation, etc., that is not the job of the Comp Plan." We disagree. Programs define how those policies are to be implemented; they provide the specifics to the ideals.

As Council member DuBois noted, “We agreed at the very beginning that the council wasn’t going to write the Comp Plan and I think this is an attempt to micro manage the Comp Plan and approve programs one by one.”

PAN’s Steering Committee urges you to at least discuss the pros and cons of the decision to remove programs from the Land Use and Transportation Elements and whether to place them in an appendix or separate document. Perhaps you will decide that such an action makes sense; perhaps not. But you should at a minimum have the discussion and report your findings—both majority and minority—to Council. You and the public deserve as much.

Thank you,

PAN Steering Committee:

Sheri Furman

Becky Sanders

Peter Taskovitch

Norm Beamer

Jeff Levinsky

Annette Glanckopf

Rita Vrhel's Transcript of 1/30/17 City of Palo Alto Council Meeting

<https://www.youtube.com/watch?v=hBnnwOqVC8s&start=5414&width=420&height=315>

4:56:30 **Mayor Scharff:** Ah...*pause*. Just need a second to make sure we've *pause*. So, I believe we're down to number H. *pause* Yes.

4:56.45 **Hillary Gitelman:** So, Mayor Scharff, so if I can just introduce this briefly. When we assimilated all the comments we got from the council in late November, we picked out the things that we thought there might be consensus on, and I apologize if we got this wrong, but we were really hoping on this slide, the next slide, and in your staff report item H, where things that there was general agreement about.

4:57:13 **Mayor Scharff:** Yeah, I think you got it wrong but we'll *laughter* but we'll go through it.

Council member Kou asks to make a comment and Mayor Scharff says to go ahead, then says:

4:57:25 **Mayor Scharff:** Let me finish. At least let me tee it up unless you want to tee it up in a comment way but let me just tee it up, let me just tee it up. I'm actually thinking about it is 10 o'clock and we still need to do the transportation element and we still need to do, look through the, there are probably other things people will have comments on, in, or motions in the rest of the com plan, huh, in the land use part of it. **So, I guess I'm thinking about using on this and going forward, what we were doing earlier whereby if someone wants to make a motion on any of these items we can, we can vote. The, the maker of the motion, if he gets a second, or she gets a second, can speak to the motion, I don't think the seconder needs to speak, and then if you want to speak, put your, I mean if you want to have discussion on the item, I mean that sincerely, put on your, your yellow light and if we get, don't get 5 members, (4:58:26) then we'll discuss the item, otherwise we can just vote on the item. (so vote is being taken on whether to discuss the sections).**

Vice-Mayor Kniss: We're going to read through all eleven of these?

Mayor Scharff: Yes, but that's why I'm doing it that way. Because, you know, there's nine council members and so that's what we're going to do. (4:58:35) So, and, the first thing I'm going to take is number 2 because we can come back to reduce the number of programs after that's too broad.

4:58:46 **Mayor Scharff:** So, the first thing is Create new opportunities for retail, residential, mixed use and pursue conversion of some non-commercial retail FAR to residential FAR as alluded to in policy L6. This policy will be separated from programs L1, L6 and whatever. So, if anyone wants to make a motion to support that...

Vice-Mayor Kniss: So moved.

Mayor Scharff: So, OK who make the motion?

Vice-Mayor Kniss: I did. (*Note: did not hear a second on this motion.*)

Mayor Scharff: So Kniss, so let's vote on the board that, number 2. Oh if you want to speak to it.

Rita Vrhel's Transcript of 1/30/17 City of Palo Alto Council Meeting

<https://www.youtube.com/watch?v=hBnnwOqVC8s&start=5414&width=420&height=315>

Someone: Yep.

Mayor Scharff: OK.

Mayor Scharff: And that passes on an 8-1 vote with Councilman Tanaka wanting more discussion on the item. Ah... *(8 did not want additional discussion of the section-1 didn)*

Kniss: Sorry, Greg.

Mayor Scharff: So, number 3 would be.... *reads policy.* Ah, anyone want to make that motion.... Council Member Wolback, Council Member Fine.

4:59:54 **Mayor Scharff:** Ah, do you want to speak to your motion? OK, let's vote on the board. And that vote's, and that passes, ah, unanimously except for Councilman Dubois what wanted more discussion on the matter. *(8 did not request addition discussion1 did)*

Discussion among some council members follows but non- discernable.

5:00:20 **Mayor Scharff:**... *the Mayor takes up item 4 in H.* Council member Holman moves that, seconded by Council Member Fine. Let's vote on the Board. And that passes unanimously with Council Member Tanaka wanting more. So far Hillary you're doing well.

5:00:49 **Mayor Scharff:**...*Proceeds to item 5 in H. Moved and seconded.*

Discussion between Vice-Mayor Kniss and Mayor Scharff as to where the Council is number wise.(in the document)

5:01:08 **Mayor Scharff:** We can take a few seconds if you want to look it up.

Mayor Scharff: OK, if you've taken a look at it. *Pause.* Yep, page 5.

5:02:53: **Mayor Scharff:** Ok people, do people feel they've had enough time to look at it or not? *Pause.* And we can have more discussion if people want to. Just hit the abstain button. *Vote taken.*

5:03:10 **Mayor Scharff:** And that passes on a 5-4 vote, with 4 Council Members wanting to abstain...with Council Members Kou, Scharff, Filseth and Holman abstaining. That passes.

(Note: still using green button for no discussion and yellow button if wish for discussion.)

Proceeds to go through rest of items under H in same manner.