

**Comprehensive Economic Development Strategy and Connections to Current City Work**

This attachment provides an update on how the 28 actions included in the Comprehensive Economic Development Strategy approved by the City Council on August 14, 2023 are being addressed.

Economic Development staff is central to these efforts as well as additional work to support the actions, such as increasing the frequency of communications to our business partners, convening monthly meetings with University Avenue, California Avenue, and midtown merchants, and ensuring that brokers, property owners, and businesses have a central point of contact for navigating both routine City processes as well as unique and one-off situations.

Table 1, below, shows the number of actions in the Economic Development Strategy grouped by their connection to current City work.

*Table 1. Number of Economic Development Strategy Actions grouped by Connection to Current City Work*

Connection to Current City Work	# of Actions
<b>A) Economic Development and Transition Priority Workplan</b>	<b>7</b>
<b>B) Other work currently underway throughout the organization</b>	<b>17</b>
<b>C) Not being actively pursued</b>	<b>4</b>

As discussed in the accompanying staff report, more than 85% of the actions included in the Economic Development Strategy are currently being pursued by the City of Palo Alto. This represents a significant commitment of City resources in pursuit of the Economic Development Strategy and the Economic Development and Transition (ED&T) City Council priority.

Table 2, below, presents greater detail of each of the actions included in the Economic Development Strategy. It is organized by each of the three Guiding Principles from the Economic Development Strategy, and then further disaggregated by recommendation and by individual action. The letters in the “Connection to Current City Work” (A,B, and C)column have been used to correspond to the three categorizations listed in Table 1 (above).

*Table 2. Detail of Comprehensive Economic Development Strategy’s actions and current city work*

<b>Guiding Principle #1: Reinforce each district’s distinct scale and offerings by stabilizing and reinforcing Downtown as a destination, embracing California Avenue as a community and neighborhood serving place, and supporting existing Neighborhood Centers.</b>		
<i>Recommendation #1: Upgrade highly used and visible public and private realm spaces to promote district definition and encourage activation.</i>		
Action	Action Text	Connection to Current City work
1.1	Redesign university avenue streetscape to provide wider sidewalk space for walking, gathering, and outdoor dining through a construction project to be funded by property owners.	A) This is being addressed through an ED&T Priority Objective, specifically:  Approve preferred alternative for the University Ave Streetscape Plan in preparation for environmental review and funding options (i)

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<b>Action</b>	<b>Action Text</b>	<b>Connection to Current City work</b>
1.2	Continue exploring the car-free streets initiative for California avenue and Ramona street to optimize a balanced future.	<p>A) This is being addressed through two ED&amp;T Priority Objectives:                      Develop permanent Cal Ave car-free streetscape design through engagement with Cal Ave merchants and community stakeholders (h); and</p> <p>Initiate preliminary analysis and stakeholder engagement on a car-free streetscape design for Ramona Street</p>
1.3	Support outdoor dining and gathering options on sidewalks and within on-street parklets with by-right allowances within two feet of storefronts and creating a consolidated street activation resource	<p>A) This is being partially addressed through two ED&amp;T Priority Objectives:</p> <p>Develop pre-approved parklet designs with stakeholder outreach, for Council approval; and</p> <p>Implement ongoing parklet program in compliance with adopted parklet standards, leveraging pre-approved designs (e)</p>
1.4	Invest in cohesive district branding through wayfinding, signage, public art and gateway features within the district and along the district boundaries to better define and announce the area as a collective destination. For Neighborhood Centers, encourage public art, like murals, and other community centered installations.	<p>A) This work is being partially addressed through a few ED&amp;T Priority objectives:                      Engage Cal Ave merchants on high priority, rapid implementation projects, i.e. barrier replacement, street cleaning, maintenance, access, signage and outdoor dining guidelines; and</p> <p>Develop permanent Cal Ave car-free streetscape design through engagement with Cal Ave merchants and community stakeholders (h); and</p> <p>Initiate preliminary analysis and stakeholder engagement on a car-free streetscape design for Ramona Street</p>
<i>Recommendation #2: Encourage the creation and support District Management Entities for district promotion, programming, and increased maintenance.</i>		
<b>Action</b>	<b>Action Text</b>	<b>Connection to Current City work</b>
2.1	Create a task force to explore successful regional DMEs of various scales and structures to inform an appropriate DME for Downtown Palo Alto, one that enables property and business owners to advocate and act (with resources) on their own behalf	<p>A) This work is being partially addressed through an ED&amp;T priority objective:</p> <p>Facilitate the establishment of sustainable business organization in the Cal Ave, DT, and Midtown districts</p>

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<b>Action</b>	<b>Action Text</b>	<b>Connection to Current City work</b>
2.2	Formalize a DME like the California Avenue Business Association/Merchants of California Avenue and encourage membership of a California main street program	A) This work is being partially addressed through an ED&T priority objective:  Facilitate the establishment of sustainable business organization in the Cal Ave, DT, and Midtown districts
<i>Recommendation #3: Pursue business retention, development, and attraction initiatives for local and small businesses.</i>		
<b>Action</b>	<b>Action Text</b>	<b>Connection to Current City work</b>
3.1	Create a public-private small and local business incubation and vacant storefront program connecting landlords experiencing vacancy with small and local businesses seeking brick-and-mortar space and local artists to aid in activation	A) This is being partially addressed through two ED&T Priority Objectives:  Establish regular engagement with retail brokers in the area to create stronger connections and understand how the City may be able to help promote available spaces; and  Research and evaluate options for implementing a public-private small and local business and incubation and vacant storefront program connecting landlords experiencing vacancy with small and local-businesses that may be seeking brick and mortar spaces
3.2	Consider allocating funds towards a shop local eGift card program to incentivize patronage of local businesses.	C) This action is not currently being worked on
<i>Recommendation #4: Promote tourism city-wide to increase longer business “bleisure” travel and grow hotel week occupancy rates with non-business travel.</i>		
<b>Action</b>	<b>Action Text</b>	<b>Connection to Current City work</b>
4.1	Provide Palo Alto Chamber of Commerce the resources to promote tourism city-wide to accurately highlight and consistently update Palo Alto's destination offerings, hotels, restaurants, events, and ways to get around in an easy-to-use online platform and app	B) This action is currently underway; staff is aware that the Chamber is actively exploring opportunities to promote tourism city-wide and the City is working to augment staff resources with consultant support for hoteliers. This is discussed further in the accompanying staff report.
<b>Guiding Principle #2: Improve accessibility by embracing walking and biking solutions to /from/within all of the City’s commercial districts and addressing parking policies and systems.</b>		
<i>Recommendation #5: Fix broken pedestrian and cycling links to increase accessibility to, from, and within commercial districts.</i>		
<b>Action</b>	<b>Action Text</b>	<b>Connection to Current City work</b>
5.1	Include more signage, wayfinding, and bicycle lane markings along critical bike routes to aid safe and easy travel to/from shopping districts by biking and walking	B) This action will be addressed through the development of the Bicycle and Pedestrian Transportation Plan (BPTP) by the Office of Transportation

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<b>Action</b>	<b>Action Text</b>	<b>Connection to Current City work</b>
5.2	Include mid-block pedestrian crossings and/or raised traffic tables where desired paths lack safe crossings and deemed safe to do so	B) This action will be addressed through the development of the Bicycle and Pedestrian Transportation Plan (BPTP) by the Office of Transportation
5.3	Consider removing free rights at major intersections to aid in safe intersections for all modes of transport	B) This action will be addressed through the development of the Bicycle and Pedestrian Transportation Plan (BPTP) and the development of a ‘safe systems’ approach by the Office of Transportation
<i>Recommendation #6: Invest in first and last mile transportation options that increase equitable access to, from, and within commercial districts.</i>		
<b>Action</b>	<b>Action Text</b>	<b>Connection to Current City work</b>
6.1	Incorporate a micro-mobility (bike and/or scooter share) program that engages all shopping districts and destinations across the City.	C) This action is not currently being worked on
6.2	Participate in advanced regional micro-mobility options	C) This action is not currently being worked on
6.3	Incentivize e-mobility using regional resources	C) This action is not currently being worked on
6.4	Support and incentivize on-demand transit service and ridership through promotional programming within shopping districts.	B) Work on this action is partially underway; Palo Alto Link continues to operate as an on-demand transit service and partners such as the Stanford Research Park are subsidizing trips to Cal. Ave from the SRP
<i>Recommendation #7: Reinforce walkability within districts to encourage longer duration of stay and activation.</i>		
<b>Action</b>	<b>Action Text</b>	<b>Connection to Current City work</b>
7.1	Select specific public alleyways with high visibility and at least 20 feet in width to improve for increased permeability and place-making	B) This work is being partially addressed through our Public Art program, which will be proceeding with murals later this fall. Staff will continue to look for opportunities to scale this effort.
7.2	Create a mural competition or program for select side and rear building facades garnering the most visibility from main streets	B) This work is being partially addressed through our Public Art program, which will be proceeding with murals later this fall. Staff will continue to look for opportunities to scale this effort.
7.3	Limit new curb cuts and aim to remove overly redundant curb cuts with any future redevelopment along public right of way of neighborhood centers.	B) This action will be addressed through the development of the Bicycle and Pedestrian Transportation Plan (BPTP)

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<i>Recommendation #8: Update and simplify parking policies, systems, and signage to ease navigation and use of parking.</i>		
<b>Action</b>	<b>Action Text</b>	<b>Connection to Current City work</b>
8.1	Embrace technology by incorporating digital signage for easier navigation to available parking within and outside of parking areas and tie information into an app-based parking management system to ease use and parking predictability	B) This action is being addressed through the Planning and Transportation Commission’s <i>ad hoc</i> on retail and ongoing work from the Office of Transportation’s Parking division
8.2	Consider a small business employee access program that offers reduced employee parking fees, easily transferable parking permits, and/or incentivized use of transit, micromobility options and carpooling	B) Work on this action is underway through the Office of Transportation’s Parking division
<b>Guiding Principle #3: Adopt policies that reflect changing market conditions by easing the regulatory burden for businesses, removing outdated restrictions that create hurdles to tenancy, and focus retail and retail-like uses in places where they are market supported.</b>		
<i>Recommendation #9: Streamline, update, and/or remove unnecessary use restrictions and pursue regulatory reform to enable tenancy and competitiveness.</i>		
<b>Action</b>	<b>Action Text</b>	<b>Connection to Current City work</b>
9.1	Consider removing or consolidating zoning overlays, incorporating an at-a-glance permitted use table and design standards, and an interactive online map with quick links to relevant regulations.	B) This action is being most directly addressed through the Planning and Transportation Commission’s <i>ad hoc</i> on retail and through an ED&T Priority objective:  Conduct business stakeholder outreach and present to Council recommendations for a citywide retail zoning strategy and receive direction for zoning ordinance implementation (k)
9.2	Consider amending section 18.76.2, architectural review, of the municipal code to enable more over-the-counter approvals for minor changes	B) This action is being most addressed through the Planning and Transportation Commission’s <i>ad hoc</i> on retail and through an ED&T Priority objective:  Conduct business stakeholder outreach and present to Council recommendations for a citywide retail zoning strategy and receive direction for zoning ordinance implementation (k)
9.3	Reevaluate the city-wide retail preservation ordinance and consider refocusing its applicability to targeted areas of existing retail concentration while also allowing flexibility in non-street facing portions of buildings	B) This action is being most addressed through the Planning and Transportation Commission’s <i>ad hoc</i> on retail and through an ED&T Priority objective:  Conduct business stakeholder outreach and present to Council recommendations for a citywide retail zoning strategy and receive direction for zoning ordinance implementation (k)

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<b>Action</b>	<b>Action Text</b>	<b>Connection to Current City work</b>
9.4	Enable growth in neighborhood goods and services along California Avenue by updated the formula retail ordinance and easing use restrictions on in-demand neighborhood serving uses that are currently heavily	<p>B) This action is being most addressed through the Planning and Transportation Commission’s <i>ad hoc</i> on retail and through an ED&amp;T Priority objective:</p> <p>Conduct business stakeholder outreach and present to Council recommendations for a citywide retail zoning strategy and receive direction for zoning ordinance implementation (k)</p>
<i>Recommendation #10: Grow the market by enabling residential development in select areas of Downtown Palo Alto and California Avenue.</i>		
<b>Action</b>	<b>Action Text</b>	<b>Connection to Current City work</b>
10.1	Consider increase allowable height and floor area ratio (FAR) to accommodate residential in mixed-use projects.	<p>B) This action is being most addressed through the Planning and Transportation Commission’s <i>ad hoc</i> on retail and through an ED&amp;T Priority objective:</p> <p>Conduct business stakeholder outreach and present to Council recommendations for a citywide retail zoning strategy and receive direction for zoning ordinance implementation (k)</p>
10.2	Allow exclusively residential projects, including the ground floor where currently restricted in the Cal Ave district	B) This action is being partially addressed through the Planning and Transportation Commission’s <i>ad hoc</i> on retail and through the Planning and Development Services department’s work to identify potential housing sites
10.3	Prioritize residential development on underutilized property as identified in the 2023-31 Housing Element.	<p>B) This is being addressed through the work of the Planning and Development Services department and partially through an ED&amp;T Priority Objective, specifically:</p> <p>Advance Downtown Parking garage in conjunction with advancement of affordable housing in the Downtown</p>