

From: pennyellson12@gmail.com
To: [Council, City](#)
Subject: Comprehensive Economic Development Strategy --Where is the data and response appendix?
Date: Thursday, August 10, 2023 12:03:00 PM

CAUTION: This email originated from outside of the organization. Be cautious of opening attachments and clicking on links.

Re: Item #5 on Council's agenda.

Re: Stakeholder engagement--I live within one block of Charleston Shopping Center. I walk there almost daily for groceries and other services.

This staff report is the first I have heard about focus groups or outreach for the Economic Development Strategy. Did anyone from Greenmeadow, my neighborhood which immediately abuts Charleston Shopping Center, attend? Who represented our neighborhood? What outreach was offered to our neighborhood as part of "discussions with residents"? To whom, when, where was it offered? How were nearby residents notified? What questions were they asked? What were the responses?

Once again, the report is missing the collected responses and data that drove recommendations. How are Council and citizens to evaluate recommendations without seeing the data? I would like to see the appendix to the consultant report that I hope exists and holds this important information. I hope Council wants to see it too.

Thank you for considering my comments.

Penny Ellson



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From: slevy@ccsce.com
To: [Council, City](#)
Cc: [Nose, Kiely](#); [Lait, Jonathan](#); [Larisa Ortiz](#); [Ashley Labadie](#)
Subject: the ED strategy report on your Aug 14 agenda
Date: Thursday, August 10, 2023 10:53:12 AM

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Dear Mayor Kou and council members,

I support the strategy framework set forth by the Streetsense team.

I understand it is a framework with implementation and details to be decided by council.

I see a strong connection between recommendation 10 re new housing and the dual opportunity to provide more customers for DTN and Cal Ave businesses AND

take a positive step toward developing a compliant Housing Element.

As a DTN resident I support incentives for both market rate housing (that allowed us to sell our SFH, remain in the community we love and reduce car use) and my desire and our obligation to site housing for low-income residents fairly across the city.

I also see the opportunity to reduce the number of vacancies by supporting new service businesses DTN.

My wife and I have plenty of opportunities to buy clothes and most retail items in T&C and SSC.

Besides Whole Foods, CVS and Ace our DTN shopping which is very large is focused on take out and dine in places and a whole array of services that we use regularly and

can walk to.

I think also the new services can serve local residents and be part of making DTN a more diverse destination center.

Stephen Levy

From: [Rebecca Sanders](#)
To: [Council, City](#)
Cc: [Furman, Sheri](#)
Subject: Agenda Item #5, City Council Meeting - August 14
Date: Wednesday, August 9, 2023 2:13:05 PM

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Dear Mayor Kou and Council Members:

Thank you for taking up this important topic which is vital to the wellbeing of our community. We at Palo Alto Neighborhoods (representing our neighborhood associations citywide) urge you to focus on El Camino Real and other neighborhood retail centers, in addition to downtown and Cal Ave. We're pleased to see Midtown Retail Center and Charleston Plaza included in our economic strategy, but urge you to add all potential community-serving retail centers into the mix. Edgewood Plaza and El Camino are not mentioned.

El Camino, south of Page Mill, is a key neighborhood retail area that needs your attention, as this stretch of ECR will be in proximity to lots of new housing in the housing element. We will be welcoming several thousand residents, who, if nothing changes, will have to drive for their goods and services. What if, as part of any new apartment complex, ground floor retail were part of the mix? All new homes should be planned with a mind toward providing meaningful retail nearby, more than coffee shops. We should target ECR for retail renewal and add amenities like public art, planters, and shaded benches to attract stores, shoppers and diners.

Our economic development team needs to recruit and support new and existing businesses and should be led by a charismatic enabler that can bring stakeholders together, close deals, and get things done. Without focus and direction, opportunities like reopening the Middlefield - Loma Verde shops are taking too long to pursue and support. For businesses recovering from pandemic setbacks or new ones trying to get established, a proven leader responsive to their needs is key.

Ground floor retail protection is critical to our success in revitalizing retail. Zoning changes can take a long time to have the desired impact. We need to make it clear that we really want ground floor retail and that it's not negotiable. Property owners need to know that they can't get around our laws and that we are serious about creating a thriving, vibrant and healthy retail sector. Penalties for vacant storefronts would re-enforce the rules. If the coverage area of the ground floor retail ordinance is reduced, it will push up retail rents, shrink the number of viable retailers, and discourage visitors to our shopping areas,

Issues like Mike's Diner and Bill's Cafe are ripe opportunities for the city to insert itself in the conversation and get these important anchor businesses for our neighborhood centers

functioning well. Not all retail should be viewed from a city tax revenue lens. Smaller retail clusters that serve residents are a critical public benefit.

By downplaying the importance of community-serving retail, this report excludes value factors that retail centers provide, such as:

- increased community cohesion through central gathering places for friends and families
- a real reduction in car trips to shops and restaurants outside of our city
- safe places for our children to congregate
- more activities and destinations in town that ultimately result in more retail tax revenue as residents shop and engage in activities near where they live.

What if we looked at all potential places to strengthen our retail? What if Council set a goal of attracting 5-10 diverse new places to shop and 5-10 activities to do per site, based on size? Our economic development team could go out and find those shops and businesses. If our retail spaces offered a true diversity of shops and enriching opportunities for children, elders and everyone in between, residents would flock to them rather than drive elsewhere.

Finally, the consultant appears to want to maximize our city tax revenue and has picked national comparisons that may not be as relevant as other Bay area downtowns of similar size. What do nearby cities such as Los Gatos, San Carlos, Los Altos, Menlo Park and Burlingame do to support retail? Let's learn from these cities and get our retail mix in order. Additionally, do we have any data to report on the relative success of retail street closures? This topic would be good to pursue as well. The uncertainty of Cal Ave's future is a major barrier for some businesses to decide to invest in the street.

We are sure that with the right person at the helm, with clear goals, community collaborations and swift enforcement, we can revive and create a sustainable retail sector for all Palo Altans to enjoy.

Thank you.

Becky Sanders
Sheri Furman
Co-Chairs
Palo Alto Neighborhoods

From: [Annette Glanckopf](#)
To: [Council, City](#); [Shikada, Ed](#)
Cc: [Clerk, City](#)
Subject: Economic Strategy Report coming to council August 14th
Date: Thursday, August 3, 2023 4:54:06 PM
Attachments: [economic strategy revision 4.docx](#)

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Dear Mayor Kou and Council Members,

I care deeply about retail in Palo Alto, especially in Midtown. I have been involved in this issue - task forces city wide and in Midtown, since 1995. To this end, I want to share my reflections on the consultant report coming to council on August 14th.

Although not spelled out directly in the consultant report, I have listed what strategies should be considered for Midtown retail.

thank you in advance for considering my comments..

Annette Glanckopf

Dear Mayor Kou and council members,

Thank you for hearing my comments regarding the Palo Alto Economic Development Strategies draft report.

The Good

On a positive note, there were interesting statistics and comparisons presented for the studied areas on rent per square foot and the sales tax revenue over the years, as well as the following comment which shows that *Despite being the largest sales tax producer, the city is lacking in neighborhood goods and service businesses.*

I agree with the following strategies:

- 1) *The program involves the City to enter into a master lease with a commercial property owner experiencing vacancy, provides a guaranteed minimum rent, and sub-leases the space temporarily, up to six months, to a business with a lease term set at 5% of monthly sales.*
- 2) Create a public-private small and local business incubation and vacant storefront program.
- 3) Include mid-block pedestrian crossings (especially on Middlefield south of Safeway).
- 4) Ease the regulatory burden for businesses & revise outdated restrictions that create hurdles to tenancy.

The Problematic

The report needed to say that the majority of retail came from Stanford Shopping Center and Town and Country, not from the neighborhood centers. I agree that retail patterns are changing with online shopping, and the recommendation that the city needs to reduce regulatory burdens (such as those that are hampering the remodel of the burned out area at Middlefield and Loma Verde).

Many of the examples that were the basis of recommendations were from large cities--San Jose, NYC, Philadelphia, San Francisco, Oakland, San Diego, Dallas, plus high end shopping in Coronado and Santana Row rather than smaller cities that mirror Palo Alto and its neighborhoods.

However, it was disappointing to see the woefully inadequate comments and strategies for the Neighborhood Centers. Although the Midtown Resident Association was interviewed, no business in Midtown or Charleston Plaza was interviewed. Perhaps the lack of diligence (or analysis) was due to the fact that the Neighborhood Centers are only 1% of the retail revenue to the city.

It was also disappointing that the report did not investigate businesses along El Camino Real, San Antonio, Edgewood, and Alma Plaza.

A Lack of Understanding

The report also does not seem to understand Palo Alto's Comp Plan concept of Neighborhood Centers.

*Neighborhood Centers, such as Charleston Shopping Center, Edgewood Plaza and Midtown Shopping Center, are **small retail areas drawing customers from the immediately surrounding area.** These centers are often anchored by a grocery or drug store and **include a variety of smaller retail shops and offices oriented toward the everyday needs of local residents.** Adjacent streets provide walking, biking and transit connections*

*Whereas, Neighborhood Commercial includes shopping centers with off-street parking or a cluster of street-front **stores that serve the immediate neighborhood.** Examples include Charleston Center, Edgewood Center and Midtown. **Typical uses include supermarkets, bakeries, drugstores, variety stores, barber shops, restaurants, self-service laundries, dry cleaners and hardware stores.***

Multi-Neighborhood Centers, including California Avenue, Town and Country Village and South El Camino Real, are retail districts that serve more than one neighborhood.

The report states there is an oversupply of 100,000 square feet of retail, and if nothing is done there will be 460,000 SF of projected oversupply. However, **there is not an oversupply in the neighborhood centers.** With the major housing developments planned for south of Oregon, there will be an increasing need for neighborhood retail. The city needs to fill this void, or it will lose the retail revenue to surrounding cities or to online ordering.

From the report: *Despite being the largest sales tax producer, the city is lacking in neighborhood goods and service businesses. **This demonstrates the need for more neighbor retail services, especially in south Palo Alto.***

In our ongoing Midtown/Palo Verde survey of city issues, the need for more retail is the number one concern.

Challenges to the Assumptions and Recommendations

- 1) *Neighborhood Serving Centers, Charleston Shopping Center and Midtown, were the least impacted during the pandemic.* in the last 5-6 years Midtown Centre has seen 15 GFR business closures, not including the 4 lost to the fire. Note: Alma Plaza lost Starbucks. Before redevelopment, Alma Plaza ((previously classified as a neighborhood center) was thriving with a variety of retail (restaurants, dollar store, grocery, post office, tailor etc). The redevelopment with housing left little room for retail. Our concern is Midtown Centre could suffer the same fate.
- 2) *That for Midtown and Charleston Centers there is a local customer base with little need for promotion.* One problem is that there is no Midtown Merchants Association, although we are working hard to create one. Businesses are suffering from insatiable demands for increased rent per SF and operating costs such as employees' wages. Retail begets retail. Midtown Center does not have enough true retail for people to shop at multiple stores. We have over 13 schools/gyms, 5 nail/hair/skin salons and fewer and fewer true retail stores.
- 3) Consultants are recommending that the city scrap its retail-preservation ordinance. In the last part of the 1990s, the Midtown Center was floundering, and residents fought to have a Ground Floor Retail overlay. We do not want it removed. There are already too many non-retail businesses in Midtown Centre that fall under personal services category. There is an on-going trend towards retail being displaced by services such as schools and gyms and even code violators like the headquarter offices of regional businesses like Asian Box and FK hospitality consulting" From the comp plan: **Policy L-4.2 Preserve ground-floor retail, limit the displacement of existing retail from neighborhood centers and explore opportunities to expand retail. The devil is in the details.**
- 4) How do you choose from so many recommendations? It would have been more useful had these been specifically tailored to Palo Alto. From the report ""*The recommendations are validated with a best practice example from around the country.*"
 - 25 At a Glance Strategy Recommendations.
 - 11 tier 1 (In support of ongoing projects)
 - 12 tier 2 (new near-medium term and low-medium budget)
 - 2 tier 3 (new long term and medium high budget)
 - 15 Guiding Principles recommendations (which overlap with above)

Comments About the Report Related to Midtown:

- As far as strengths and weaknesses for Midtown, key findings seem to address only the quadrant that houses CVS. Midtown retail includes all business on Middlefield up to the burned businesses and Alma Plaza.
- *The City replaced gas and water lines along University Avenue in 2018/2019 and followed up with cosmetic upgrades to sidewalks, lighting, signage, landscaping, and bulb-out repair. Cal Ave Improvements included lane reductions with widened sidewalks, an at-grade plaza space, new and consistent looking lighting, bike racks, and seating, landscaping, and art installations.*

We ask: **What has been done by the city for Midtown? What can be done for Midtown?**

- Many of the recommendations assume that the merchants will pay for the improvements -- not the city. We need funding from the City to save the businesses. For smaller businesses whose margins are lean, they need their landlord and the City to help pay for improvements, e.g. The owner of the main Midtown Shopping Center had paid for wireless upgrade for the Palo Alto Cafe and also new signage. The City has not, but at least could help pay for trimming the overhanging oak tree branches at the corner of the CVS building in the public parking lot
- Please explain the recommendation "*Streamline, update and/or remove unnecessary use restrictions and pursue regulatory reform to enable tenancy and competitiveness.*"

How does removing restrictions help with competitiveness? One big current Midtown issue is for the fire inspection and future permitting, etc. to be more flexible with the burned-out areas, so businesses can return.

Potential Actions to Revitalize Midtown Centre. Note Midtown Centre has been neglected for 10+ years, The pandemic has accelerated the erosion of GFR, maintenance and building updates.

I don't know how you would cherry pick from the "At a Glance Strategy recommendations", but let me focus on the following recommendations for Midtown.

HIGH PRIORITY

- City Council and Staff should aggressively work with property owners to **reduce or stabilize rents**. Also engage landlords and work out a plan to help revive the dilapidated Midtown Shopping Center building/structures which were dated 1955.
- City staff/council should actively **pursue appropriate new ground floor retail**. Personal services and permitted uses are too flexible -- we don't need 5 hair and beauty salons, and 13 sites for youth activities as gyms, children's extracurricular schools, music, robotics etc.
- City should appoint an ombudsman to help **new small business navigate** Palo Alto process, permitting, etc.
- City should work actively with property owner to **rebuild the burned-out section** at Loma Verde and Middlefield. The City needs to be supportive and quicker to help owners obtain the right means to meet requirement for rebuilding and reopening.

MEDIUM PRIORITY

- City should provide attractive and appropriate **signage, landscaping, lighting, PUBLIC ART, sidewalks**, etc. and along with that provide improved and faster code enforcement re GFR.
- City should fund more **Midtown public art**. From the comp plan: *Public art helps create an inviting atmosphere for gathering, fosters economic development and contributes to vital public spaces*. Additionally, the comp plan recognizes public art should be local. The neighborhood needs to be involved in any project for their neighborhood, not just a "Community member." Note: We have started a conversation with public art staff to fund and implement at least 1 mural and sidewalk pavement art.
- City/Council should help Midtown fund/implement/develop a **merchants association**, so they could advertise, co-market, develop a Midtown business web site (**not be buried in Uplift**), music, events (pop up events), create discounts (special prices).
- **Change zoning** -- "personal services" is too flexible a category. Zoning allows too many of the same businesses (nail salons kid/teen activities).
- **Increase law enforcement visibility and response time** to deter robberies with and without guns. In the past 2 years, 3 robberies took place at Pacific Precious Metals. and 2 robberies (one with gun) and 1 vandalism took place at Baskin Robbins. Shoppers and business tenants are not going to feel safe enough. Incidentally, these are the 2 out of 4 small retails/partial retail in Midtown.
- Increase the responsiveness of **code enforcement** to prevent landlords renting to non-neighborhood serving, non-retail businesses such as regional or national headquarters office or a bay area wide catering kitchen business etc.

LOWER PRIORITY

- City should help monitor and **maintain site cleanliness**, The residents shouldn't have to clean up the area and plant and water flowers themselves.
- Install a mid-block **pedestrian activated flashing light crossing** on Middlefield south of Safeway
- **Redo Parking (discussed as curb cuts in the report)**.
 - Too many cars come into the Out exit and vice versa In the out exit in the Midtown Centre - CVS section.
 - In the section that contains Wells Fargo, change the traffic flow direction. Traffic backs up into Middlefield Road when cars want to go into the parking lot. They also have to go across a double yellow line.
- **Enforce speed limits on Middlefield. Implement traffic calming measure?**
- Branding is good, but **Midtown doesn't want a-frames or banners**; they are NOT helpful for branding. They are cheap advertisements at the expense of public safety and aesthetics of the Centre. Rather, branding needs to **address the entire Midtown Shopping District**. For example, a big, artistic, arch sign over Middlefield Road, intersecting Oregon Express with a message like "Welcome to Midtown Shopping District for a unique boutique shopping and dining experience"- like the one in Redwood City downtown. It could be whimsical, old fashioned or other themes to be determined with branding experts. We recognize that there are inconsistent curb cuts, planting needs improvements, more trees are needed, signage is lacking -- MRA has been recommending improvements for years. It would be good to have defining landmarks and better signage but **who would pay?**
- Develop the **community garden site** for events, pop-ups, etc.