



City of Palo Alto

COLLEAGUES MEMO

DATE: November 5, 2012

TO: City Council Members

FROM: Vice Mayor Scharff, Council Member Schmid, Council Member Holman

SUBJECT: COLLEAGUES MEMO FROM VICE MAYOR SCHARFF AND COUNCIL MEMBERS HOLMAN AND SCHMID REGARDING RE-EVALUATION OF GROUND FLOOR RETAIL PROTECTIONS IN THE DOWNTOWN COMMERCIAL DISTRICT

Recommendation

Staff should return to Council with a detailed proposal to require retail retention in some or all of the Downtown Commercial (CD) district outside of the current Ground Floor (GF) Retail Overlay, and to extend the Downtown Ground Floor (GF) Retail Overlay to areas of Downtown that would form a pedestrian gateway to new developments and facilities in or around the transit station. The proposal should also examine bringing into compliance any non-conforming uses within the Downtown Commercial (CD) District within the Downtown Ground Floor (GF) Retail Overlay particularly on University Avenue. Furthermore staff should also examine the sites taken out of the Ground Floor (GF) Retail Overlay list in 2009 and recommend whether the designation should be extended to these and/or other properties in the area.

Background

On November 16, 2009, the City Council voted to remove Ground Floor retail protection from 13 properties along University, Alma, Hamilton and High. These were described as 'on the periphery of the downtown' and 'outside of the retail core' of University Avenue and its side streets. The ordinance change also included deleting requirements elsewhere in the Downtown Commercial (CD) zone that until that time mandated that existing retail and personal service uses could not be converted to office space.

In the interim, several retail properties in the CD zone have converted to office space including Fraiche Yogurt and a shoe store on Emerson Street, the Blue Chalk Café, and Jungle Copy. Other stores, some long-standing Palo Alto retailers, are rumored to be under consideration for conversion to office. In particular, the Emerson Street corridor provides a rich retail-restaurant

corridor, including Gordon Biersch, Mantra, Empire Grill and Tap Room, Buca de Beppo, Stanford Florist, Richard Sumner Gallery and other establishments, all of which are now vulnerable to office conversion.

In addition, at the November 2009 Council meetings, staff and Council members acknowledged that the sites removed from the GF overlay in the Hamilton/Alma/University block could become more attractive for retail use as the entry to the train station and connections with Stanford are enhanced. The Planning Director suggested that the proposed Ordinance changes “return to the City Council in a few years to discuss updates, benefits or unintended consequences, and make modifications, if necessary.” Given the approval of the Lytton Gateway project and desirability of better connections to the Stanford Shopping Center and the west side of El Camino Real as part of the Stanford Medical Center approvals and resultant Development Agreement funding to enhance that connection, and the potential for enhancements to the pedestrian tunnels at University Avenue and Lytton Avenue, the City should examine the pedestrian-retail environment in the Downtown Area and consider an extension of the GF Zone to the emerging ‘gateway’ areas of Lytton, University, Alma, Hamilton and High Streets.

Conclusion

Given the changes in the economic climate in Palo Alto and Silicon Valley, particularly recent and proposed substantial increases in Downtown office space, the City should examine options to assure a vital retail environment and services to support Downtown and the community. This is an appropriate time to re-evaluate the rules for Ground Floor Retail in the Downtown Commercial District.