



Introduce Ordinance for Commercial Zoning & CUP Thresholds

City Council

NOVEMBER 7, 2022

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RECOMMENDATION

Staff recommends the City Council hold a hearing and:

Introduce an ordinance (Attachment A) for changes to the Palo Alto Municipal Code Chapter 18 to make permanent a temporary ordinance modifying retail use definitions, limiting certain commercial uses, and relaxing conditional use permit (CUP) thresholds for certain uses.

PRESENTATION OVERVIEW

1. Provide background on how we got here
2. Overview of temporary ordinance
3. Summary of draft ordinance amendments & recommendations
4. Next Steps



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Background

How we got here

BACKGROUND

- **Community & Economic Recovery Strategies**
 - November 9, 2020
- **First Reading Temporary Ordinance**
 - December 14, 2020
- **Second Readings**
 - January 2021, March 2021 & April 12, 2021



BACKGROUND

- **PTC Meetings**
 - March 2022 & August 2022
- **Extension of Temporary Ordinance**
 - June 2022
- **Engaging with Consultant 2022**
 - Received admin draft report on best practices for retail recovery





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Temporary Ordinance

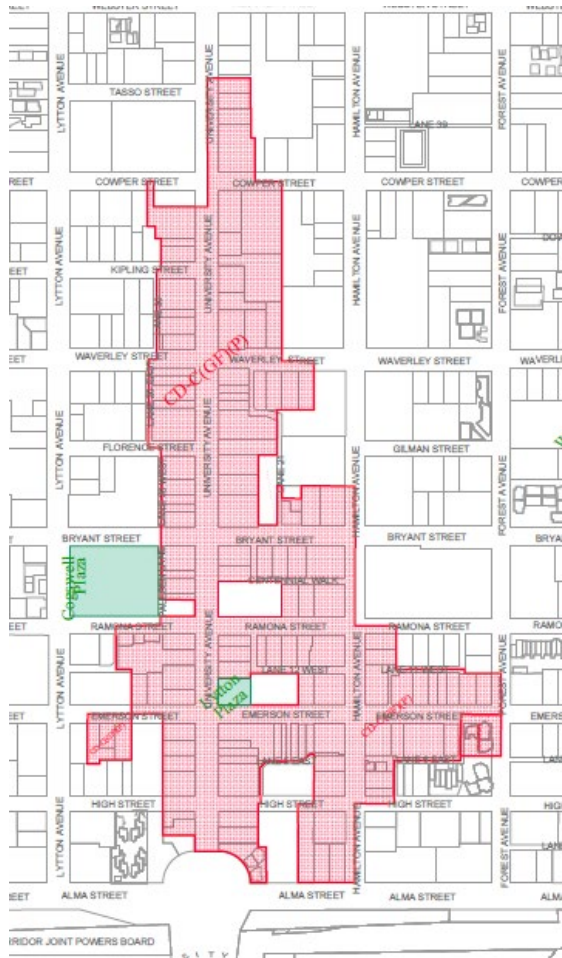
Overview

ORDINANCE OVERVIEW

- Relaxing CUP thresholds for medical offices
- Relaxing CUP thresholds for fitness studios/commercial recreation
- Changing the definition of eating and drinking to clearly define what is a dining establishment versus a retail establishment selling food
- Establishing a definition for tutoring centers (learning centers)



AREAS OF FOCUS



University Avenue



California Avenue



Town & Country Village Shopping Center

EFFECTS OF TEMPORARY ORDINANCE

- **Review of CUP Records**
 - No applications were filed as a result of the temporary ordinance
- **Review of Use & Occupancy Records**
 - Medical Office that otherwise required a CUP
 - 4153 El Camino Way
 - 220 California Ave.
 - 425 Sherman Ave.
 - Ready to eat shops that otherwise required additional parking
 - 421 California Ave.
 - 855 El Camino Real



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Draft Ordinance

Overview

November 2022

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PUBLIC OUTREACH

- Conversations with property owners & interested parties
- Email blast to businesses
- Newspaper public advertisement
- Notifications to property owners



SUMMARY OF PROPOSED ORDINANCE AMENDMENTS

- Maintain substantive changes from the temporary ordinance and make permanent
- Move regulations from footnotes to appropriate sections in the Code:
 - California Ave – R Combining District (PAMC 18.30A)
 - University Ave – GF Combining District (PAMC 18.30C)
- Definition change for ‘eating and drinking establishments’
 - Revise to ‘restaurant’ (PAMC 18.04)

COUNCIL DIRECTION TO PTC

- **Council's further direction for evaluation**
 - Refer to PTC the threshold for gyms greater than 1,800 SF on University Ave. California Ave. & Town & Country (Motion Item B).
 - Refer to PTC for occupancy limits for commercial recreation (Motion Item D).
 - Refer to PTC for best way to define restrictions for dining establishments (Motion Item E).

PTC Recommendations

- **Extend the Temporary Ordinance:**
 - Allow time for retail recovery report to be discussed
 - Sought additional information
- **Adopt the draft permanent ordinance (Attachment A) with the following considerations:**
 - Impose a cap on current number of nail salons, spas, and barber shops, etc. limited to the number of such businesses that currently exists;
 - Explore a cap on the number of tutoring centers, schools, and related functions;
 - Not to make permanent the regulations for medical offices and revert to the original ordinance language; and
 - Defer work on items Council referred to the PTC until after receiving the City's consultant report on retail revitalization best practices.



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Next Steps

What to expect and recommendations

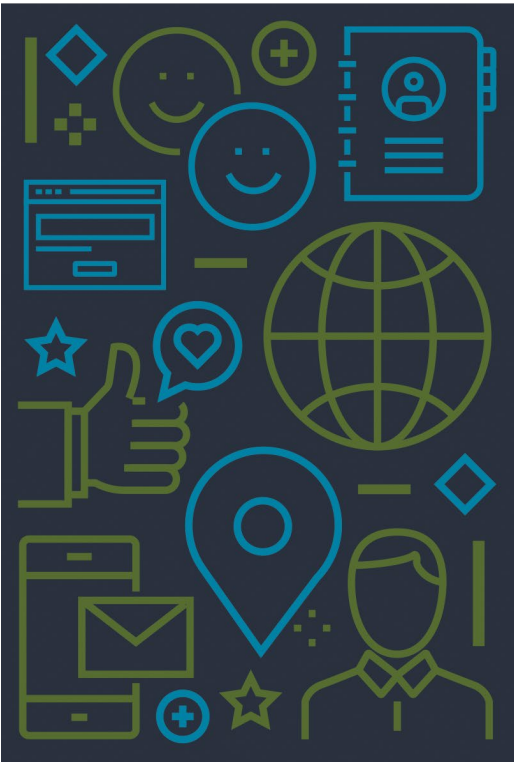
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CONTACT US



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