



# OFFICE OF THE CITY MANAGER

Council Meeting Date: June 2, 2015  
Staff Report #: 15-092

**REGULAR BUSINESS:**                      **Approval of the draft Economic Development Plan Strategic Policy Recommendations**

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## RECOMMENDATION

Staff recommends that the City Council approve the Draft Economic Development Plan Strategic Policy Recommendations and to authorize their incorporation into the Economic Development Plan.

## POLICY ISSUES

Updating the Economic Development Plan is a City Council Goal and the City Council has approved the Economic Development Plan Goals. This review and direction will help complete the update of the Economic Development Plan and allow staff to work to implement the City's Economic Development Strategies.

## BACKGROUND

While the nation has shifted from a manufacturing-based to an innovation-based economy, Menlo Park's land use, transportation and economic strategies have not followed suit. As a result, Menlo Park is losing ground compared to neighboring cities, and the residents are missing out on the benefits of the innovation economy for the community. To address this, City Council directed staff to update the Economic Development Plan to make Menlo Park more competitive in the regional and global economy.

BuildPublic, the consultant selected to assist with the Economic Development Plan, expanded on the Economic Trends Report in the Comparative Economic Advantage Study (CEAS). The CEAS analyzes Menlo Park's existing economic conditions in comparison to other Bay Area cities, characterizes the role Menlo Park plays in the regional economy, identifies areas where Menlo Park could improve in order to become more competitive, and examines how other cities are attempting to capture the value of development in their community.

On January 27, 2015, the City Council approved the Economic Development Plan Goals and directed staff to return with a budget and scope of work for completing Phase II of the Economic Development Plan.

On February 24, 2015, the City Council approved the scope for Phase II of the Economic Development Plan.

On April 14, 2015, the City Council hosted a study session, facilitated by BuildPublic, in order to discuss different options for further defining how to efficiently and consistently capture value from development for the benefit of the community, otherwise known as “Public Benefit”. This discussion helped inform the strategies presented in the Draft Economic Development Plan Strategic Policy Recommendations (Attachment A) and will inform other long-range planning efforts ie., ConnectMenlo, El Camino Real Downtown Specific Plan biennial review.

On May 27, 2015, Staff hosted an Economic Development Plan Stakeholder Group Meeting that was open to the public in order to receive feedback on the proposed strategies. The Group provided great feedback on the Strategies and offered suggestions for the City Council’s review on June 2<sup>nd</sup>. Specifically, the Group recommended: 1) that there be a mix of development types and scales in the M-2, 2) that we focus on developing incubator/co-working spaces Downtown and 3) consider alternative approaches to traffic mitigation, such as post occupancy monitoring and refinement.

## **ANALYSIS**

The Draft Economic Development Plan Strategic Policy Recommendations document has been prepared for Council review and direction. The approved Strategic Policy Recommendations will be revised per Council direction and will be incorporated into the Draft Economic Development Plan that staff anticipates presenting to Council for approval on June 16<sup>th</sup>.

As previously discussed, the Economic Development Plan Update has been following a three phase process:

- 1) Existing Conditions: Because the economy changed drastically since the last Business Development Plan was amended in 2010, BAE Urban Economic conducted an Economic Trends Report to better understand the existing economic conditions.
- 2) Economic Development Plan: Upon completion, the Economic Development Plan will consist of:
  - (1) Comparative Economic Advantage Study (CEAS),
  - (2) Economic development goals
  - (3) A list of strategic policy recommendations.
- 3) Implementation: Following approval of the plan staff will work on developing and implementing the strategic policy recommendations. Some of strategic policy

recommendations will be incorporated into existing long-range planning efforts, while others will be stand-alone policy initiatives.

### **IMPACT ON CITY RESOURCES**

No additional consultant or staff resources are anticipated for final development of the Economic Development Plan.

### **ENVIRONMENTAL REVIEW**

The Economic Development Plan is not a project under CEQA.

### **PUBLIC NOTICE**

Public Notification was achieved by posting the agenda, with this agenda item being listed, at least 72 hours prior to the meeting.

### **ATTACHMENTS**

- A. Draft Economic Development Plan Strategic Policy Recommendations

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# **MENLO PARK**

## ***ECONOMIC DEVELOPMENT PLAN UPDATE***

### ***STRATEGIC POLICY RECOMMENDATIONS***

**MAY 22, 2015**



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**01**

**MENLO PARK**

**ECONOMIC**

**DEVELOPMENT**

**GOALS**



# MENLO PARK

## ECONOMIC DEVELOPMENT GOALS

### 1. Diversify and Grow City Revenue Sources

*For decades, the El Camino Real was home to many car dealerships that produced a large, reliable sales tax base for the city. In recent years, these dealerships have moved out of Menlo Park, taking tax revenue elsewhere and leaving vacancies. Instead of “chasing” large sales tax generators like big box retail or auto dealerships, the City should cultivate a diverse range of new sources of public revenue to ensure Menlo Park’s long-term fiscal health. Overreliance on one revenue source or tax does not produce long-term stability. The City should be creative in how it generates new public revenue—capturing a greater share of the disposable income of its innovation sector workforce, for example, or leveraging new real estate development opportunities through intelligent land value capture policies.*

### 2. Grow “Walkable Urbanism” in a Few Strategic Locations

*It’s unrealistic to expect all of Menlo Park to become an amenity rich “walkable” neighborhood. Instead, the City should identify a small subset of locations that are best situated for increased retail and cultural amenities, changes in land use and urban form and growth. The goal is to increase walkability and create neighborhood identity, and adding more neighborhood-serving retail is a strategy to get there.*

### 3. Capture the Economic Potential of “Pass-Through” Traffic

*An estimated 80% of east Menlo Park’s daily traffic is “pass-through” – auto trips by individuals with no planned destination in Menlo Park. By offering better reasons to stop and spend time and money in Menlo Park, ideally through walkable and amenity rich retail and entertainment clusters, the City could increase its capture of the economic wealth of the larger region, without adding significant vehicle traffic, and also enhance retail and cultural amenities for Menlo Park’s residents.*

### 4. Activate the East Side by Leveraging Planning and Real Estate Development Opportunities in the M-2

*Menlo Park’s Belle Haven neighborhood lacks many resident-serving amenities, but it also holds some of the best economic and real estate development opportunities for Menlo Park. Many Belle Haven residents support a vision for development that could bring greater urban vitality, including adding a movie theater, supermarket, and other amenities that could improve their neighborhood but also give reasons for residents from west Menlo Park to visit east Menlo Park.*

*At the same time, the adjacent M2 zone in east Menlo Park is ripe for transformative development. If the city is strategic about how it plans and rezones this area it will gain much more than just increased property taxes—it can create a whole new live, work and play*

neighborhood that will provide new amenities for existing Belle Haven residents incubate new businesses, and generate funding for new public parks and plazas.

#### **5. Work with Neighboring Cities to Increase Transit & Cycling Options that Integrate Menlo Park into the Region**

Transit is a regional dilemma. Menlo Park cannot solve regional problems on its own. However, Menlo Park can make local, tactical improvements in cooperation with businesses like Facebook, institutions like Stanford, and with neighboring cities like Redwood City, to enhance its connection to regional transit, private shuttles, car-sharing and bicycle networks.

#### **6. Enhance Cultural/Arts Offerings**

Menlo Park should actively promote arts and culture as an economic development strategy.

#### **7. Preserve Housing Affordability and Income Diversity Wherever Possible**

Providing access to housing affordable to a range of incomes is a crucial component of economically vibrant and resilient communities, especially for small businesses like restaurants and retail that rely on lower-paid employees.

#### **8. Consider the Needs of the Market -- Now and in the Future**

Menlo Park must focus on the needs of the innovation sector with particular attention to the unique growth stages of these companies. Ideally, Menlo Park can provide space for start-ups, room for them to grow, and even accommodate local businesses when they scale-up to larger sized, publicly traded companies. Focusing on the needs of employers and employees of this sector now and in the future will help capture the benefits

of that sector, for the benefits of Menlo Park residents.

#### **9. Attend to the Details**

Menlo Park must not lose sight of the “small stuff,” which supports the overall quality of life. While the City should focus on some big strategic moves for economic development, it must also maintain focus on everyday services like maintenance and capital improvements of public infrastructure.

#### **10. Rethink Downtown**

Improving vibrancy downtown requires a plan that addresses retail offerings, the buildings that house them, and access to the area. Menlo Park’s parking replacement requirements for residential development in the downtown are inadvertently limiting development that could enhance its potential as a mixed-use urban village with vibrant retail. Further, Menlo Park owns the surface parking lots in its downtown, which represent a tremendous opportunity for the development of parking structures to enhance access to downtown amenities.

#### **11. Make Menlo Park a Predictable Place to Do Business**

The current planning and permitting process in Menlo Park is onerous and unpredictable, which can discourage new companies, developers, and business owners from wanting to locate in Menlo Park. By streamlining the planning and permitting process, the City can create a more welcoming environment for new businesses and residential development in Menlo Park.

**02**

**SUMMARY OF  
RECOMMENDATIONS**



# SUMMARY OF RECOMMENDATIONS

## GOAL 1. DIVERSIFY AND GROW CITY REVENUE SOURCES

### ***STRATEGY 1A. ENCOURAGE DOWNTOWN COMMERCIAL VIBRANCY***

#### **Recommendations:**

- Allow temporary activation of vacant storefronts and land.
- Allow increased FAR for office above ground floor with no net new parking requirement.
- Create Facade Improvement Program.
- Provide clear navigation assistance through commercial permitting process.
- Educate commercial property owners about ways to build property value.
- Expand definitions and flexibility in permitted land uses for commercial zones.

### ***STRATEGY 1B. DIVERSIFY SOURCES OF TAX REVENUE***

#### **Recommendations:**

- Evaluate a Targeted Transfer Tax
- Evaluate Negotiated Benefit Covenants
- Evaluate a Targeted Community Facility District (CFD)
- Evaluate Transient Occupancy Tax (TOT) rebates to encourage hotel development.
- Evaluate City-owned property for potential of public space leases.

### ***STRATEGY 1C. RECAPTURE LAND VALUE VIA PUBLIC BENEFIT ZONING***

## GOAL 2: GROW WALKABLE URBANISM IN A FEW STRATEGIC LOCATIONS

#### **Recommendations:**

- Focus on Downtown & Willow Road today, Menlo Gateway & Facebook Prologis site in future.
- Seek to revive Dumbarton Rail project.
- Allow more housing near transit.
- Value capture where up-zoning occurs.
- Design intersection of public and private realms at a pedestrian scale.
- Expand allowable land uses.
- Experiment with low-cost, quickly-implemented, and grassroots adjustments to public realm.
- Require parking to be placed behind buildings, on side streets, or in structures.
- Reduce parking requirements.

- Consider establishing an In-Lieu Parking Program.
- Price parking strategically.
- Install quality sidewalks, crossings, bulb-outs and lighting.
- Encourage company campuses to integrate into urban street grids.

### **GOAL 3. CAPTURE THE ECONOMIC POTENTIAL OF “PASS-THROUGH” TRAFFIC**

#### **STRATEGY 3A. CREATE “DESTINATIONS” OFF HIGHWAYS 101 AND 84 IN M-2 ZONE**

##### **Recommendations:**

- Work closely with Facebook development team to ensure Prologis site becomes a regional attraction.
- Continue to work with Menlo Gateway development team to ensure it becomes a regional attraction.

#### **STRATEGY 3B. CAPTURE EXISTING “PRIMARY SERVICE AREA” POPULATIONS FOR MENLO PARK’S MAJOR DESTINATIONS**

- Downtown / Caltrain Station
- Menlo Gateway / Future Marsh Road Station
- Facebook-Prologis Site / Future Willow Road Station

#### **STRATEGY 3C. ACTIVATE MENLO PARK CALTRAIN STATION**

##### **Recommendations:**

- Engage a marketing consultant to develop a Menlo Park Caltrain station area marketing campaign.
- Celebrate and highlight existing attractions.
- Encourage commuter-friendly land uses along Caltrain corridor.

### **GOAL 4. ACTIVATE THE EAST SIDE BY LEVERAGING PLANNING AND REAL ESTATE DEVELOPMENT OPPORTUNITIES IN THE M-2**

#### **STRATEGY 4A. CREATE MARKET-DYNAMIC LAND VALUE RECAPTURE SYSTEM**

- Recommendation:** “Public Development Rights” (PDR) Trading Market Concept

#### **STRATEGY 4B. ENGAGE FACEBOOK WITH THE NEIGHBORHOOD**

##### **Recommendations:**

- Work closely with Facebook development team.
- Promote walkable urbanism throughout.

#### **STRATEGY 4C. DEVELOP DUMBARTON RAIL CORRIDOR**

- Phase I: Dumbarton Trail

Phase II: Dumbarton Spur

Phase III: Dumbarton Rail

## **GOAL 5. WORK WITH NEIGHBORING CITIES TO INCREASE TRANSIT & CYCLING OPTIONS THAT INTEGRATE MENLO PARK INTO THE REGION**

### **STRATEGY 5A. DEVELOP DUMBARTON RAIL CORRIDOR**

### **STRATEGY 5B. PARTNER WITH REGIONAL RIDESHARE PROGRAMS**

#### **Recommendations:**

Consider partnering with Bay Area Bike Share.

Consider partnering with Scoot Networks.

Consider partnering with RidePal.

### **STRATEGY 5C. EXPAND PUBLIC SHUTTLE SERVICE**

### **STRATEGY 5D. CONSIDER MUNICIPAL CAR-SHARING FLEET**

**Recommendation:** Consider allowing usage of municipal fleet on weekends and evenings for public carshare service

### **STRATEGY 5E. CREATE “ONE-STOP-SHOP” TRANSIT ONLINE PLATFORM**

**Recommendation:** Consider developing a “GoMenlo” type sub-website and/or app.

## **GOAL 6: ENHANCE CULTURAL/ARTS OFFERINGS**

### **STRATEGY 6A. INCREASE LAND USE FLEXIBILITY TO ALLOW FOR INNOVATIVE USES.**

#### **Recommendation:**

Expand permitted uses in commercial zones.

Add “Art Gallery” to permitted uses in zoning code

### **STRATEGY 6B: STREAMLINE PERMITTING FOR STREET EVENTS.**

**Recommendations:** Reduce 60 day advance permit application time.

### **STRATEGY 6C. CREATE CITY MATCHING GRANT FUND FOR STREET ACTIVATION**

**Recommendation:** Establish matching grants to leverage private sector investment for greater public benefit.

### **STRATEGY 6D. LANDLORD PROPERTY TAX REBATE FOR ARTIST/MAKER SPACES**

### **STRATEGY 6E. CREATE “POP-UP” LEASE TEMPLATES**

### **STRATEGY 6F. LINK POP-UP BUSINESSES WITH UNDERUTILIZED RETAIL SPACE**

## **GOAL 7. PRESERVE HOUSING AFFORDABILITY AND INCOME DIVERSITY WHEREVER POSSIBLE**

### **Recommendations:**

- Allow taller buildings and relax parking requirements so that homes can be built more cost effectively.
- Allow micro-apartments and/or co-living projects that cost less to build than conventional apartments.

## **GOAL 8. CONSIDER THE NEEDS OF THE MARKET -- NOW AND IN THE FUTURE**

### **STRATEGY 8A. DESIGN FLEXIBILITY INTO CODE**

### **STRATEGY 8B. INCENTIVIZE TECH INCUBATOR SPACES**

## **GOAL 9. ATTEND TO THE DETAILS**

### **STRATEGY 9A. LEVERAGE TECHNOLOGY TO ENGAGE COMMUNITY IN UPKEEP OF THEIR CITY**

### **Recommendations:**

- Publish baseline standard of city services on city website.
- Open source city data to allow development and adoption of civic apps.

### **STRATEGY 9B. LEVERAGE PRIVATE SECTOR TO SUPPLEMENT CITY SERVICES**

### **Recommendations:**

- Require ongoing maintenance of public realm improvements associated with new or redevelopment projects.
- Encourage establishment of neighborhood stewardship entities.

## **GOAL 10. RETHINK DOWNTOWN**

### **STRATEGY 10A. CONTINUE TO VALUE THE DOWNTOWN**

### **STRATEGY 10B. GROW WALKABLE URBANISM**

### **STRATEGY 10C. ENCOURAGE HOUSING, TRANSIT, WALKING AND BIKING**

### **Recommendations:**

- Price parking intelligently and create a parking benefit district.
- Build a downtown parking structure.
- Use transportation demand management measures to increase transit use, walking and bicycling.

Relax parking requirements in areas near transit.

Join Bay Area Bikeshare and install bike sharing facilities.

Consider flexible and form-based land use regulations.

## **GOAL 11. MAKE MENLO PARK A PREDICTABLE PLACE TO DO BUSINESS**

### **Recommendations:**

Continue to improve Menlo Park website to be simpler and more interactive.

Enhance Menlo Park Open Government site.

Create a one-stop permit application and tracking system.



**03**

**STRATEGIC**

**POLICY**

**RECOMMENDATIONS**

# STRATEGIC POLICY RECOMMENDATIONS

## GOAL 1. DIVERSIFY AND GROW CITY REVENUE SOURCES

### **STRATEGY 1A. ENCOURAGE DOWNTOWN COMMERCIAL VIBRANCY**

A balanced mix of economically healthy retail, restaurant and services in the downtown core will increase sales tax revenue to the City. A vibrant downtown will also better leverage the disposable income and multiplier effect of the local innovation sector workforce.

**Recommendation: Allow temporary activation of vacant storefronts and land.** “Pop-ups,” or short-term commercial uses, are effective tools with which to both build energy and interest in a downtown area, and to generate revenue for property owners and thus cities. Pop-up businesses typically occupy vacant retail spaces for three to twelve months, and pay a reduced rent with minimal tenant improvements allowed. Pop-up businesses are often local and “start-up” in nature, either run by new or experienced business owners who live in the area, or by existing businesses seeking to test new market concepts. A pop-up can be a “win-win-win” for landlord, business, and city: the landlord gains a rental income stream where there had been none prior, the pop-up business owner has a chance to vet a business concept with low overhead, and the city receives modest sales tax revenue in addition to increased interest and activity in the commercial core, which can in turn attract more business and thus more revenue.

Cities are only recently beginning to recognize the value of such temporary activation strategies, and often zoning codes lag far behind the market trends. When the range of permitted uses in a commercial zone are limited and inflexible, creative land uses that could otherwise stimulate a city’s economic vitality are stymied. Only a handful of cities have established specific “pop-up” retail ordinances, but with the surge in pop-up businesses around the country, codifying these innovative uses will be important to enhancing economic vitality especially in stagnating downtowns and on vacant or underutilized land. The City of Austin, Texas created a Pop-Up Retail Ordinance in 2011 that Menlo Park could use as a model, both for existing retail spaces downtown and for new retail spaces in the M-2 and Belle Haven areas. Additionally in New York City, a Vacant Lot Temporary Activation Program has encouraged temporary uses on undeveloped land; Menlo Park could adopt a similar program in the M-2 zone.

**Case Study:** [Austin TX Pop-Up Retail Ordinance](#), passed Nov 2011 - Non-prescriptive allowance of temporary uses up to 3 months.<sup>1</sup>

**Case Study:** [New York City Vacant Lot Temporary Activation Program](#) - Begun 2013, made 15 city-owned lots available for temporary activation, 6-12 months. Selected programs eligible for incentives & assistance programs - tax reductions/financing, discounts on utility costs, etc.<sup>2</sup>

**Recommendation: Allow increased FAR for office above ground floor with no net new parking requirement.** Consider relaxing the parking and Floor-Area-Ratio (FAR) restrictions on above-

<sup>1</sup> . Ordinance No. 20111103-075: <http://www.austintexas.gov/content/november-3-2011-austin-city-council-regular-meeting>.

<sup>2</sup> . <http://www.nycedc.com/service/workforce-local-business-programs>

ground office uses in commercial areas like Downtown and the El Camino Real corridor, to attract small companies with significant Caltrain ridership (e.g. young, tech, startup). Office workers downtown drive demand for coffee, lunch, après-work food, entertainment, shopping, and fitness related commercial uses. Incentivizing small, dense office uses may help increase both business and sales tax revenues. Consider complementing a reduction in parking requirements with rideshare incentives outlined in Goal 5.

**Recommendation: Create a Façade Improvement Program.** Encourage commercial property owners to reinvest in their buildings to attract more vibrant commercial tenants. Allocate small City matching grants to help property owners repaint, remove old awnings, replace signage, etc.

**Case Studies:** Mountain View, San Diego Façade Improvement Programs. See Appendix A for Façade Improvement Program Comparison Table.

**Case Study:** Downtown Los Altos – Passerelle Investment Company has been successful at investing in modest building façade improvements for high aesthetic yield. At the First and State Retail Building, removing awnings and repainting in vibrant modern colors has dramatically modernized the character of this 1980s-architecture building. (Figure 1)

**Figure 1:** 359 State Street & 379 State Street, before and after façade improvement.



**Recommendation: Provide clear navigation assistance through commercial permitting process.** Encouraging the growth of locally-owned businesses is a widely supported concept in cities today but is quite challenging to implement. For prospective small business owners who may or may not have experience running a business, a typical city’s labyrinth of forms, permits and approvals from numerous departments can be overwhelming. In order to promote the type of commercial economic growth Menlo Park desires, namely unique local businesses that both lend character to a downtown and help recirculate local dollars, the City’s Economic Development Department should explore the development of a clear online business development portal in which business owners are led through the city’s processes. One such product worth exploring is OpenCounter – see Goal 11 recommendations.

**Case Study:** [San Francisco Business Portal](http://businessportal.sfgov.org/) – online information clearinghouse with clean interface for existing and prospective businesses (begun November 2014).<sup>3</sup>

**Recommendation: Educate commercial property owners about ways to build property value.** Consider hosting free workshops through Economic Development Department describing value and examples of a hands-on landlord approach, tenant curation, facade improvement (low cost, high yield), etc.

**Case Study:** Passerelle Investment Company’s “Landlord 2.0” Program (Los Altos) – Brooke Ray could speak to Downtown MP property owners about progressive landlord policies – zero waste program, foot traffic data, employee parking permits required by lease, etc - if of interest.

**Recommendation: Expand definitions and flexibility in permitted land uses for commercial zones, especially M-2 and SP-ECR/E.**

See Strategy 6A below.

### **STRATEGY 1B. DIVERSIFY SOURCES OF TAX REVENUE**

Menlo Park should seek to diversify its sources revenue beyond conventional modes (e.g. sales tax revenue, development fees, etc.), layering various income streams of differing magnitudes to help build capacity for important public benefit projects, from transit to neighborhood greening and open space to pedestrian-oriented developments and streetscapes. The following recommendations outline enduring funding mechanisms that can support ongoing maintenance and operations of public amenities or infrastructure, beyond just capital improvements.

**Recommendation: Evaluate a Targeted Transfer Tax.** The City of Menlo Park’s transfer tax rate is currently \$0.55 per \$1,000 of property value. In the M-2 zone, evaluate an innovative application of a “Targeted Transfer Tax” in which all or a portion of the proceeds from property sales in that area funds public benefit

<sup>3</sup> . <http://businessportal.sfgov.org/>

improvements in that same area. An advantage is that the fees generated would not be limited to capital; they could be used for ongoing maintenance of public amenities or infrastructure.

**Recommendation: Evaluate Negotiated Benefit Covenants.** A variation on the transfer tax idea, consider negotiating public benefit covenants recorded on property deeds during the Development Agreement process. In this scenario, as the property changes hands the new owner would be required to contribute a public benefit fee to the city. An advantage is that the fees generated would not be limited to capital; they could be used for ongoing maintenance of public amenities or infrastructure.

**Case Study: BART “Transit Benefit Fee Covenant”** - In 2005 West Dublin/Pleasanton BART placed a benefit fee covenant on the purchase and sale of 3.65 acres to a residential developer.<sup>4</sup> The covenant stipulated that BART would receive sale price participation equal to 50% above a pre-specified price per unit. In 2011 the Benefit Fee was modified, beginning with 1% of gross operating revenues for the first year and increased to 2% by the 16th year.<sup>5</sup>

**Recommendation: Evaluate a Targeted Community Facility District (CFD).** In lieu of paying a one-time up front fee for public benefit (e.g. under the Public Development Rights model, see Goal 4 Strategies and Recommendations), Menlo Park could allow a developer to instead create a CFD or Mello Roos District and amortize payments into a public benefit fund over time. A fiscal analysis would need to be conducted by the developer to prove that annual payments over a specified period would be equal to or greater than the value of a lump sum payment at the outset. This strategy may be more applicable for large scale development projects, or projects in which the developer feels he/she may be able to amass support from neighboring property owners. However, the intent behind the above three recommendations is to identify ways to create enduring funding mechanisms that can support ongoing maintenance and operations of public amenities or infrastructure, not just capital improvements.

**Recommendation: Parking Revenue Bonds.** To finance new public infrastructure, either in the M-2 or downtown areas, consider parking revenue bonds in which future parking structure revenue can help offset the cost of its construction.

**Recommendation: Evaluate Transient Occupancy Tax (TOT) rebates to encourage hotel development projects.**

Re-evaluate current 12% TOT rate.

Encourage hotel land uses through permit streamlining, zoning incentives.

Identify preferred hotel development areas, create a map and list of development incentives, and distribute

<sup>4</sup> Keyser Marston, November 2014. Memorandum to Pleasant Hill BART Station Leasing Authority: Block C Condominium Feasibility Analysis, p11. <http://ca-contractocostacounty2.civicplus.com/DocumentCenter/View/34410>.

<sup>5</sup> BART Board of Directors, July 14, 2011. Board of Directors Meeting Minutes, p4. <https://www.bart.gov/sites/default/files/docs/minutes/07-14-11%2520regular%2520Minutes.pdf>.

a Menlo Park “pitch book” to attract prospective hotel entities. A pitch book is a marketing presentation used in real estate and finance that clearly and attractively outlines the advantages of investing or developing in a certain area, i.e. Menlo Park.

**Case Studies:** *City of Palm Springs TOT Incentive Ordinance, City of La Quinta TOT rebate for Silver Rock Public Golf Course development, City of Anaheim Hotel Economic Development Assistance Program.*

### **Recommendation: Evaluate City-owned property for potential of public space leases**

Consider increasing allowed private uses of public land.

Consider streamlining short term uses such as events, festivals, pop-ups on City land.

Re-evaluate existing long term leases, identify new leasing opportunities.

### **STRATEGY 1C. RECAPTURE LAND VALUE VIA PUBLIC BENEFIT ZONING**

Before intensifying land use in currently underutilized areas such as the M-2 zone, Menlo Park should ensure that land value recapture mechanisms are built into the revised zoning code for these areas. This will help ensure that as development capitalizes on this increase in land value, a portion of that increment is held for the preservation and enhancement of the public realm or “the commons.” This strategy is discussed in further detail below under Goal 4.

## **GOAL 2: GROW WALKABLE URBANISM IN A FEW STRATEGIC LOCATIONS**

*The most successful downtowns in Bay Area cities tend to follow a pattern of “walkable urbanism.” They combine good transit services, moderate residential density, a walkable public realm, and smart parking management. These downtown characteristics often cultivate a virtuous cycle, in which visitors and residents attract new businesses, and the businesses in turn attract more visitors. Growing in an intentional way – a way that promotes walkability, activity, commerce, and vibrant neighborhoods – we refer to as walkable urbanism. It is important for several reasons:*

**Walkable urban neighborhoods are convenient** – with more businesses in Menlo Park and a greater mix of land uses, more people will be able to live within walking distance of a grocery store.

**Walkable urban neighborhoods capture more regional spending.** Menlo Park isn’t capturing as much business as it could. People passing through on 101 could be stopping and shopping.

**Walkable urban neighborhoods participate in the region.** By capturing a portion of regional housing development, Menlo Park can contribute to addressing the region’s housing supply and affordability crisis.

**Walkable urban neighborhoods attract educated, high-earning professionals.** An educated workforce is one of the most valuable economic resources a city can have. Their wealth allows them to spend more at local

*businesses, to pay higher taxes, to employ more local service providers, and to start more new businesses.*

**Walkable urban neighborhoods reduce driving.** *Living in a walkable neighborhood near public transit makes it easier for people to drive less. This helps both local traffic congestion and global climate change.*

**Walkable urban neighborhoods promote safety.** *A key principle of walkable urbanism is to provide safe streets for pedestrians and bicyclists as well as drivers, and to provide public spaces that are active, busy and safe.*

**Recommendation: Focus on Downtown and Willow Road today, Menlo Gateway and Prologis site in future.** Identify two or three locations with good transit service, such as downtown (Caltrain) and along Willow Road (DB and DB-1 bus lines) to become more walkable neighborhoods through emphasis on streetscaping and pedestrian street crossings, tactical urbanism, public space activation events and ongoing programming, etc. In a future that explores the development of the Dumbarton Rail Corridor through the M-2 zone, walkable urbanism nodes could expand to include Menlo Gateway and Facebook’s newly acquired Prologis site. In these M-2 areas which may also become Dumbarton Rail transit hubs, consider implementing form-based codes for new development to encourage a pedestrian-friendly environment surrounding these potential new transit stations.

**Case study:** [\*Central Petaluma Specific Plan\*](#). *A plan that prioritizes downtown Petaluma’s sense of place, using form-based codes.*<sup>6</sup>

**Case Study:** [\*San Pablo Avenue Specific Plan \(El Cerrito\)\*](#). *Establishes new height and density requirements to promote a vibrant, transit-oriented downtown.*<sup>7</sup>

**Recommendation: Seek to revive the Dumbarton Rail project.** Designate planned Dumbarton Rail stations as walkable urban neighborhoods. Stations have been proposed at Marsh and Willow Roads (See Figures 2 and 3).

**Case study:** [\*Union City Intermodal Station \(Union City\)\*](#). *An example of smart growth in a greenfield location; it remains to be seen if stronger retail will develop.*<sup>8</sup>

<sup>6</sup> <http://cityofpetaluma.net/cdd/cpsp.html>

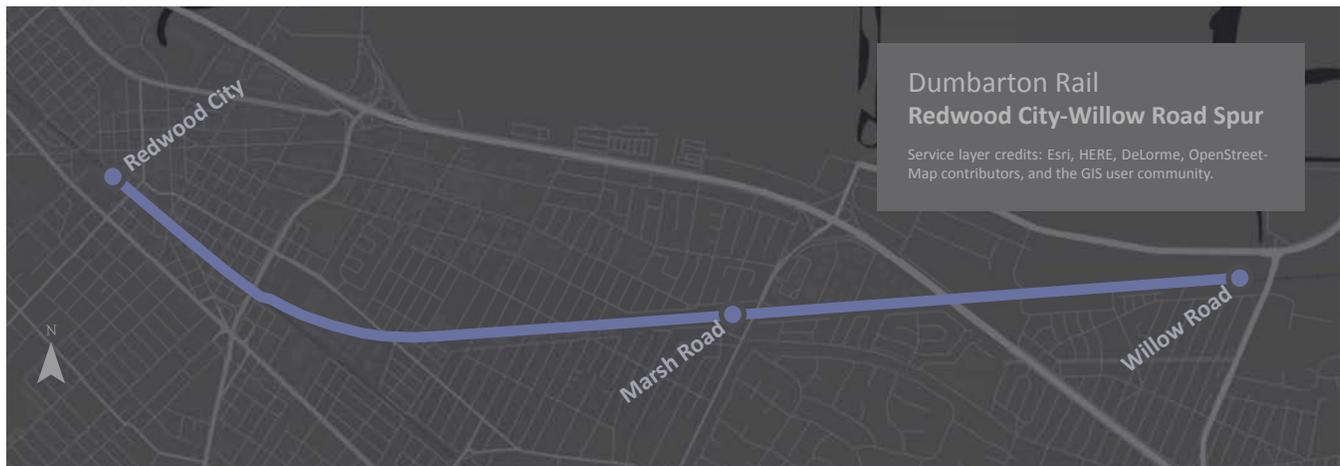
<sup>7</sup> <http://www.el-cerrito.org/index.aspx?nid=396>

<sup>8</sup> <http://www.ci.union-city.ca.us/departments/economic-community-development/economic-development/intermodal-station>.

**Figure 2: Dumbarton Rail Concept**



**Figure 3: Potential Future Dumbarton Rail Spur Transit Nodes**



**Recommendation: Allow more housing to be built near transit, focusing especially on the M-2 District.** Make sure there are enough residential buildings to support an active, vibrant downtown environment.

**Case study:** [Diridon Station \(San Jose\)](http://www.sanjoseca.gov/index.aspx?NID=1743). Keeps residential density moderate, but high enough to support active streets and local retail.<sup>9</sup>

**Recommendation: Where property is up-zoned, capture value for the public through public benefit zoning.** Consider implementing a system of traded development rights, or “public development rights” to recapture a portion of increased land value as a result of city-initiated height or density allowances. The proceeds would be dedicated for public benefit purposes. See Goal 4 for more details. This tool

<sup>9</sup> <http://www.sanjoseca.gov/index.aspx?NID=1743>

may also be used to promote historic preservation and protect open space.

**Case study:** [Transfer of Development Rights for Historic Preservation \(San Francisco\)](#). San Francisco's historic preservation program uses the same market mechanism for different purposes.<sup>10</sup>

**Recommendation: Design the intersection of the public and private realms for pedestrians, at a pedestrian scale.** Local walking trips tend to engage both the public realm – sidewalks, streets and public spaces – and the private realm – the buildings that frame public space.

**Case study:** [Central Petaluma Specific Plan \(Petaluma\)](#). Coordinates the design of the public realm and the buildings that frame it, using a form-based code.<sup>11</sup>

**Recommendation. Expand allowable land uses.** Allow mixed uses, flexible uses, temporary uses. In particular, allow retail in most locations if the market supports it.

**Case study:** [Central Petaluma Specific Plan \(Petaluma\)](#). Allows mixed-use buildings and ground-floor commercial uses in most areas.<sup>12</sup>

**Recommendation: Experiment with low-cost, quickly-implemented, and grassroots adjustments to the public realm such as parklets, temporary pedestrian facilities like bulb-outs, pop-up parks and retail spaces,** Sunday street closures, and public markets. Often described as 'tactical urbanism,' these actions have several advantages. They can be relatively inexpensive and quick in comparison to major public realm interventions; they can harness the creativity of grassroots organizations and private enterprises; and they allow for the use of experimentation and failure to promote more successful public spaces.

**Case study:** [Market Street Prototyping Festival](#). Invited creative teams outside City government to design and build public art and pedestrian improvements for a temporary 'festival' of new public realm ideas.<sup>13</sup>

**Case study:** [San Francisco Parklet policy](#). Inspired by Park(ing) Day, where private citizens reclaim parking spaces for alternate uses, the parklet program has allowed for the creation of mini-parks and outdoor additions to cafes, restaurants and bars in San Francisco.<sup>14</sup>

**Case Study:** [Downtown Los Altos Third Street Green](#). A partnership between a downtown property owner, Passerelle Investments, and the City of Los Altos, the Third Street Green was a month-long pop-up park in downtown Los Altos. It created public gathering space in the downtown core that featured various types of programming throughout the day and evening from free art and yoga classes to live music, largely hosted by local businesses and groups.<sup>15</sup>

<sup>10</sup> <http://www.seifel.com/index.php/latest-news/preserving-san-francisco-s-unique-historic-and-cultural-character.html>

<sup>11</sup> <http://cityofpetaluma.net/cmgr/pdf/smartcode-final.pdf>

<sup>12</sup> <http://cityofpetaluma.net/cmgr/pdf/smartcode-final.pdf>

<sup>13</sup> <http://marketstreetprototyping.org>

<sup>14</sup> <http://pavementtoparks.sfplanning.org/parklets.html>

<sup>15</sup> [www.thirdstreetgreen.com](http://www.thirdstreetgreen.com)

**Recommendation: Require parking to be placed behind buildings, on side streets, or in structures.**

**Case study:** [Vision North San Jose \(San Jose\)](#). Calls for parking to be tucked behind buildings and on side streets.<sup>16</sup>

**Recommendation: Reduce parking requirements for new development and encourage transportation demand management.** Level of service (LOS) as a metric of transportation impacts is being de-emphasized at the State level through SB 743. Local policy changes can take advantage of the opportunity this creates to impose conditions on development that further reduce transportation impacts and promote alternate modes of transportation.

**Case study:** [Transportation Sustainability Program \(San Francisco\)](#). Replaces traffic level of service (LOS) evaluation of development projects with evaluation based on transportation demand management and non-auto mode share.<sup>17</sup>

**Recommendation. Consider establishing In-Lieu Parking Program.** Many cities offer an in-lieu fee option for developers who are unable to provide requisite on-site parking for a proposed development project. This could be due to small lot size, soil or drainage characteristics, or other environmental or site considerations. To encourage pedestrian-oriented development throughout Menlo Park and especially in the downtown core, consider adopting an In-Lieu Parking Program allowing developers to pay a per-stall fee in lieu of providing some or all of on-site required parking. Work with a consultant to establish appropriate \$/stall fee structure.

**Case study:** Mountain View, Palo Alto, Redwood City, San Jose, Walnut Creek, Burlingame – see *In-Lieu Research Summary, Appendix A*. See also “[In Lieu of Required Parking](#)” by Donald Shoup, 1999, *Journal of Planning Education and Research*.<sup>18</sup>

**Recommendation: Price parking strategically to support more efficient use of under-utilized facilities, and sufficient vacancy to allow drivers to park without circling.**

**Case study:** [SFPARK \(San Francisco\)](#). Uses dynamic parking pricing – prices that rise in high-demand locations and at high-demand times – to encourage use of under-utilized parking, keep some parking available at most times in most locations.<sup>19</sup>

**Recommendation. Install quality sidewalks, crossings, bulb-outs and lighting.** As envisioned in the Menlo Park El Camino Real and Downtown Specific Plan, incorporate pedestrian-oriented streetscape features such as these into a redesign of Santa Cruz Avenue.

<sup>16</sup> <https://www.sanjoseca.gov/index.aspx?NID=1744>

<sup>17</sup> <http://www.sf-planning.org/index.aspx?page=3035>

<sup>18</sup> <http://mrsc.org/getmedia/ADF5FFDC-BCC3-4A41-909F-F51980D68874/Shoup.aspx>.

<sup>19</sup> <http://sfpark.org/resources/how-the-sfmta-makes-parking-management-decisions/>

**Case study:** [Downtown Precise Plan: Public Frontage Regulations \(Redwood City\)](#). Provides for improved sidewalks, trees, lighting and pedestrian crossings.<sup>20</sup>

**Recommendation. Encourage company campuses to integrate into urban street grids, particularly in the M-2 district.** Establish clear boundaries to public spaces, and engage the street interactively at ground level.

**Case studies:** [Samsung Headquarters](#) (North First Street, San Jose),<sup>21</sup> [Twitter Headquarters](#) (Market Street, San Francisco). Think of these as a rebuttal to the familiar Silicon Valley campus in a park (e.g. Apple's new headquarters). These buildings are embedded in the street grid, maintaining and activating the pedestrian realm. At ground level, they host commercial uses that serve both employees and the public.

### GOAL 3. CAPTURE THE ECONOMIC POTENTIAL OF “PASS-THROUGH” TRAFFIC

#### STRATEGY 3A. CREATE “DESTINATIONS” OFF HIGHWAYS 101 AND 84 IN M-2 ZONE

The major new developments planned along freeways or arterials, specifically Menlo Gateway and Facebook, should be designed as regional destinations that attract pass-through traffic as commuters drive to and from work.

**Recommendation: Work closely with Facebook’s development team to ensure Prologis site becomes a regional attraction**

Require commercial on ground floor - create neighborhood commercial core feel

Emphasize neighborhood commercial uses: cafes, bars, fitness, boutique retail

Require pedestrian-scale architecture, public amenities, limited storefront widths - i.e. prevent “bedroom community”

Require additional parking in locations easily accessible by arterials (e.g. Willow Road, Hwy 84), via development requirements and/or public-private parking partnership

Create bicycle connections to Bay Trail and Caltrain/downtown - emphasize and market bicycle commute corridors to residents

**Case Study: Patriot Place.** *Patriot Place is an open-air shopping center in Foxborough, Massachusetts adjacent to the home stadium of the New England Patriots. Although Menlo Park is not proposing infrastructure at the scale of a football stadium, lessons can be learned from activity centers like Patriot Place in which a wide variety of restaurant and retail land uses as well as ongoing events and programming fosters activity at all hours of day and night, not just on game days.*

<sup>20</sup> <http://www.redwoodcity.org/phed/planning/precise/preciseplan.html>

<sup>21</sup> <http://www.spur.org/publications/article/2014-01-14/taste-future-north-first-street>

**Recommendation: Continue to Work Closely with Menlo Gateway Development Team to ensure it becomes a regional attraction**

Maintain close communication with development team to explore opportunities for collaboration

Encourage commuter-friendly land uses: restaurants, fitness clubs, personal services

Encourage pedestrian and bicycle connections to Bedwell Bayfront Park and Bay Trail

**STRATEGY 3B. CAPTURE EXISTING “PRIMARY SERVICE AREA” POPULATIONS FOR MENLO PARK’S MAJOR DESTINATIONS**

It is important to complement analyses of pass-through traffic capture with primary service area capture, because each is required to activate a “destination” or commercial center of activity at different times: commuters on weekday mornings and evenings, and nearby residents on weekdays and weekends. This analysis hones in on three destinations: Downtown (existing), Menlo Gateway (in progress), and Facebook’s Prologis site (future). The existing population living within 1/2 mile of each of these can be considered the potential population who could walk to the destination, and the population within a 3-mile area comprises the potential population who could cycle to the destination. Based on these data, these existing and future destinations do supply a sufficient local population to support healthy neighborhood commercial centers. (Table 1 and Figure 4)

**Downtown / Caltrain Station**

Within ½ mile of the Menlo Park Caltrain Station are 3,500 residents who could potentially walk downtown in lieu of driving. Within 3 miles of downtown are 125,000 residents who could bike downtown. Ideally these residents would consider downtown Menlo Park their primary shopping area, provided the downtown can offer the range of services needed. Having such a robust “Primary Service Area” population base to support downtown’s growth is important to recognize; capturing pass-through traffic is an added bonus.

**Menlo Gateway / Future Marsh Road Station**

Within ½ mile of a potential future Dumbarton Rail station at Marsh Road are 5,400 residents, and within 3 miles 108,000. The approved Menlo Gateway development is also within walking distance of this potential rail station. If the City required sufficient pedestrian and bicycle connections between Menlo Gateway and the westward neighborhoods, this area could evolve into a successful walkable urbanism node.

**Facebook-Prologis Site / Future Willow Road Station**

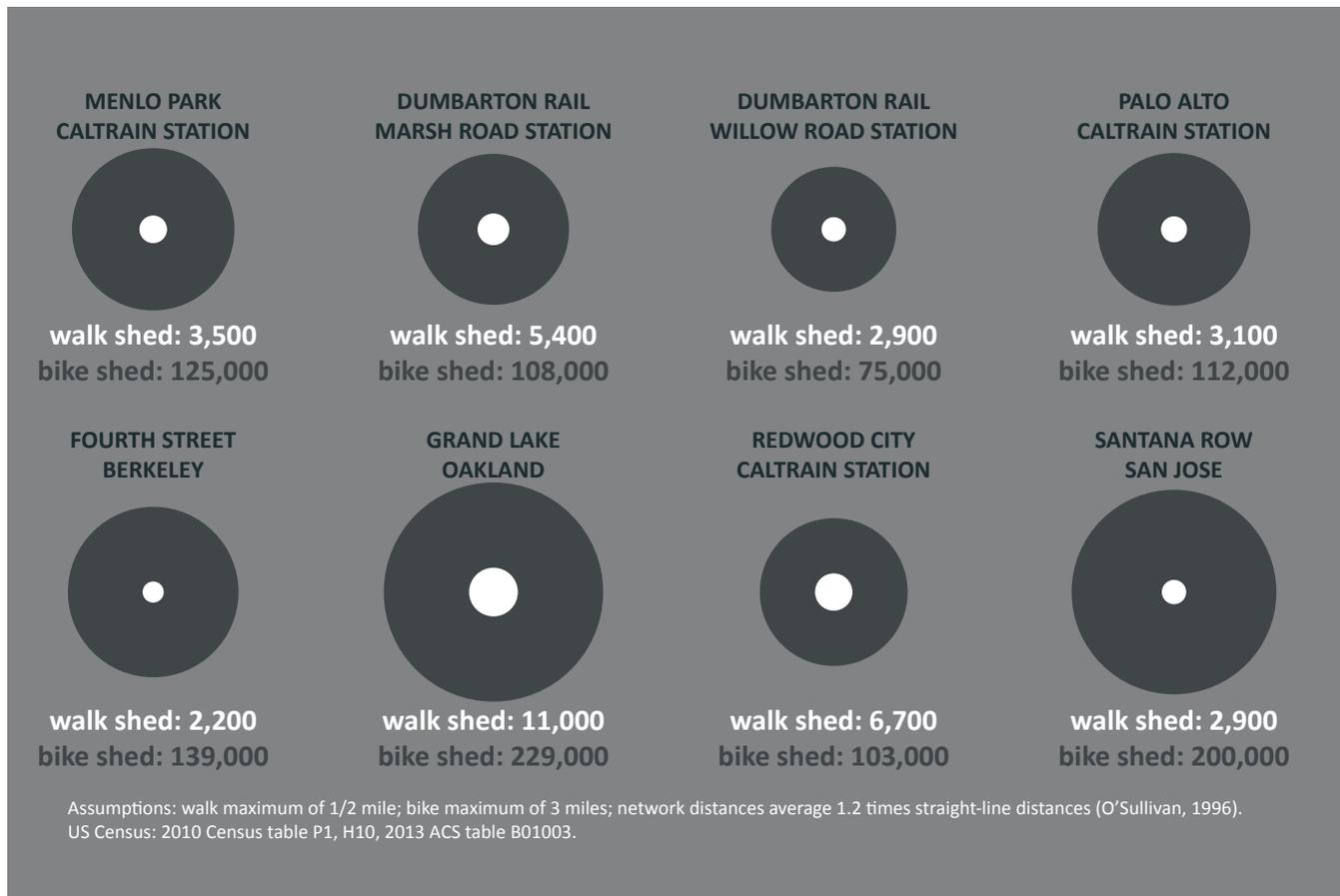
Within ½ mile of a potential future Dumbarton Rail station at Willow Road are 2,900 residents, and within 3 miles 75,000; however that number will rise if and when Facebook develops mixed use housing on its newly acquired site formerly owned by Prologis. The number of nearby existing and future residents can help entice retailers and developers to bring new businesses to the area.

**Table 1: Local Market Base for Menlo Park Activity Nodes**

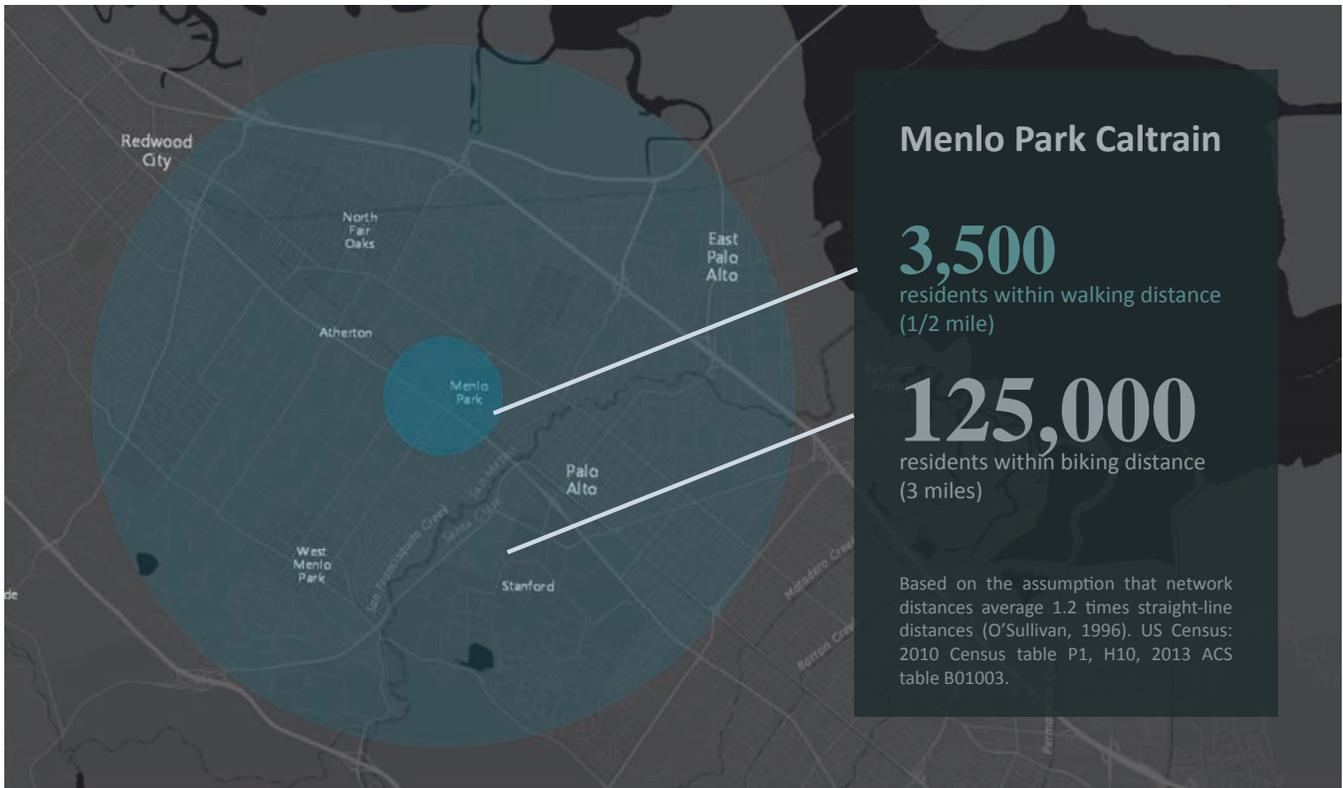
Local and regional market base for prominent regional destinations	Local market		Regional connections
	Walk shed (1/2 mi)	Bike shed (3 mi)	
Downtown ( MP Caltrain)	3,584	125,523	Caltrain, El Camino Real
Menlo Gateway (Marsh Rd)	5,466	108,257	Hwy 101, CA SR 84, Dumbarton Rail*
Facebook Prologis (Willow Rd)	2,970	75,005	Hwy 101, CA SR 84, Dumbarton Rail*
Caltrain, Palo Alto	3,092	111,974	Caltrain, El Camino Real
Caltrain, Redwood City	6,701	103,517	Caltrain, El Camino Real
Fourth Street, Berkeley	2,258	139,682	I-80, Amtrak
Grand Lake, Oakland	11,606	229,577	I-580
Santana Row, San Jose	2,947	200,656	I-280, I-880

\* Potential.  
 Based on the assumption that network distances average 1.2 times straight-line distances (O'Sullivan, 1996).  
 US Census: 2010 Census table P1, H10, 2013 ACS table B01003.

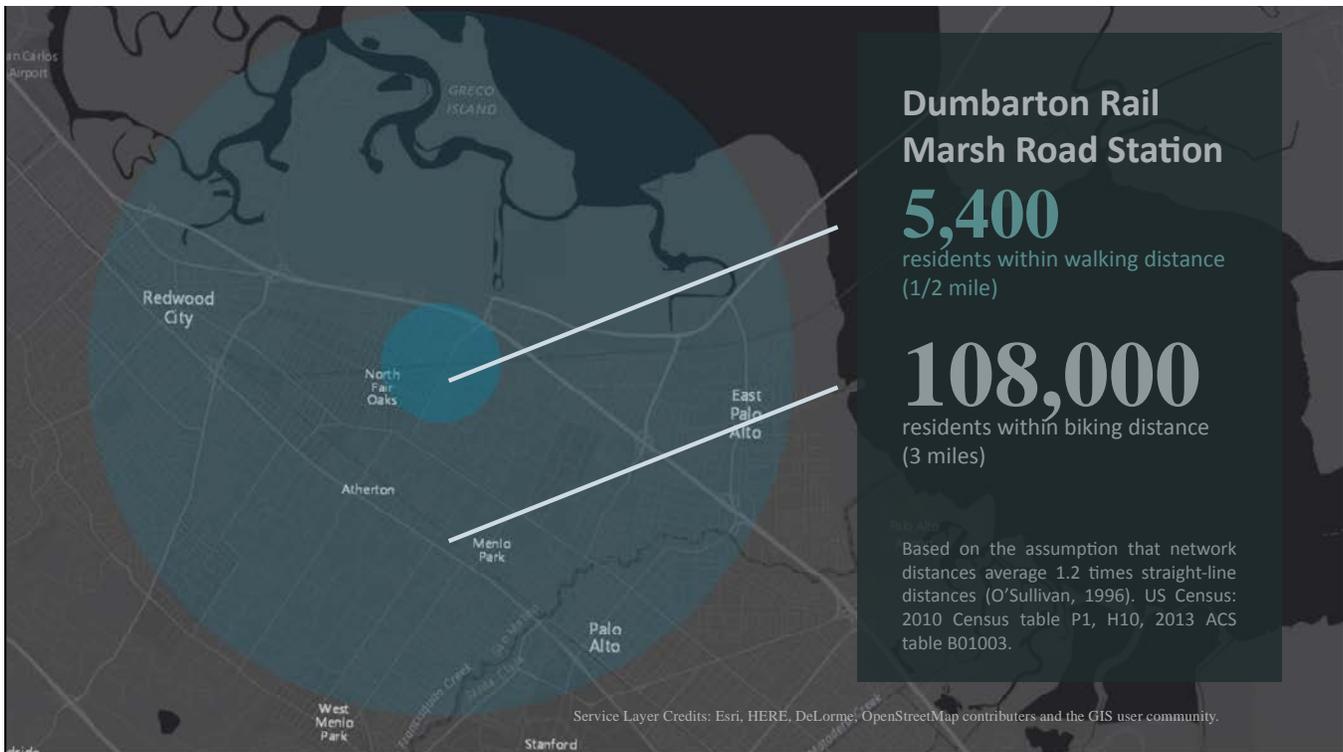
**Figure 4: Walk-Shed and Bike-Shed Comparisons for Menlo Park Activity Nodes**



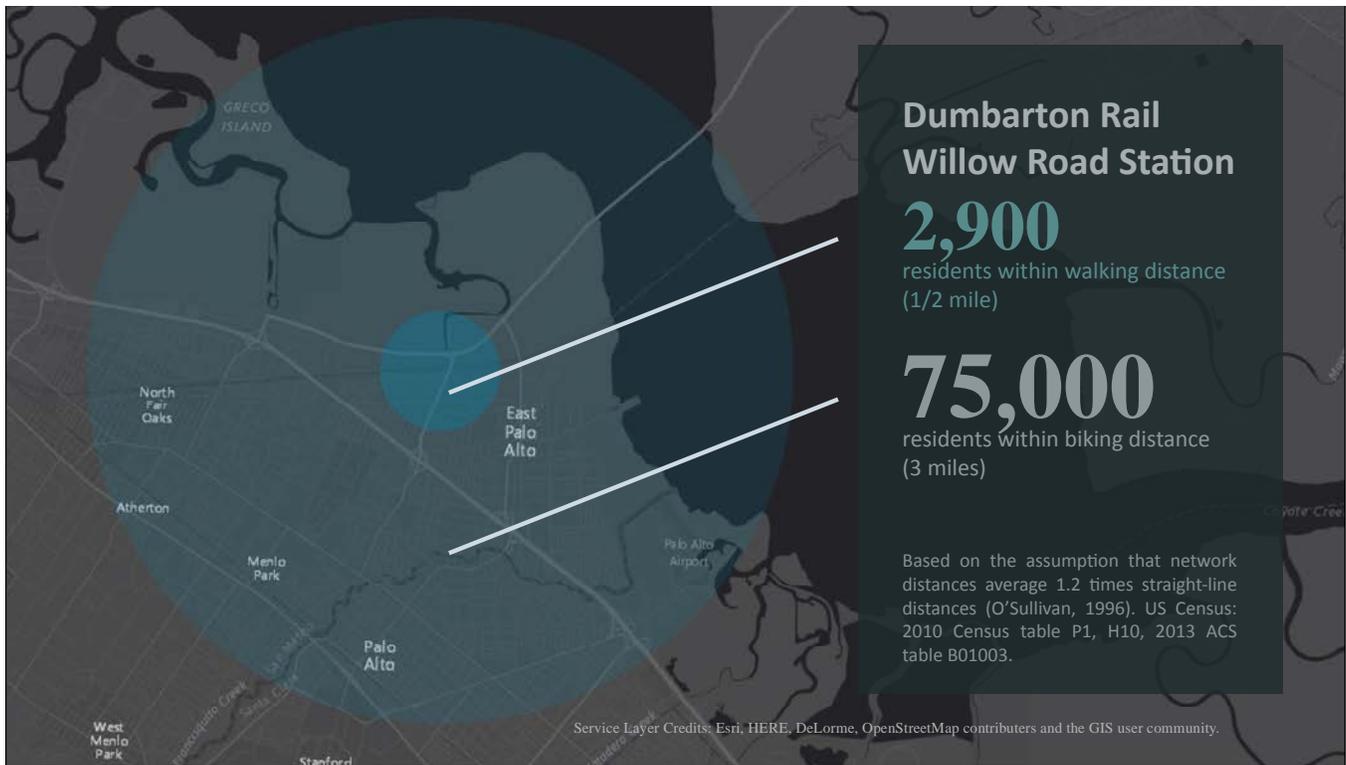
**Figure 5: Menlo Park Caltrain Station Area Analysis**



**Figure 6: Menlo Gateway / Future Dumbarton Rail “Marsh Road” Station Area Analysis**



**Figure 7: Facebook Prologis Site / Future Dumbarton Rail “Willow Road” Station Area Analysis**



### **STRATEGY 3C. ACTIVATE MENLO PARK CALTRAIN STATION**

In 2014 the Menlo Park Caltrain station saw an Average Weekday Ridership (AWR = number of passengers boarding or alighting per station per day) of 1,668, up 9.3% from 2013. However, this represents only 3.2% of Caltrain's overall AWR. For reference, Palo Alto captures 11.7% AWR, Palo Alto 8.1% and Mountain View 5.6% (2014 Caltrain Annual Passenger Counts Key Findings). Menlo Park could increase its AWR by encouraging development of commercial amenities around its Caltrain station.<sup>22</sup>

According to Caltrain's 2013 Triennial Customer Survey, Caltrain commuters are:

**New** - 35% of respondents have been riding Caltrain less than one year.

**On Foot or Bicycle** - 28%/32% of respondents walked to/from Caltrain (vs 23%/19% driving to/from). An additional 17% used a bicycle to/from Caltrain.

**Young** - Average rider age is 36.7, with a 5% increase in riders age 25-34 between 2010-2013.

**Affluent** - Rider average household income is \$117,000, with 33% of weekday riders living in households earning over \$150,000.

New riders are more likely to be open to forming new habits, such as stopping at new Caltrain stops that offer services they seek. Riders without cars are more likely to off board to shop, eat or drink at establishments within

<sup>22</sup> October 2013. Caltrain Triennial Customer Survey Summary Report. Corey, Canapary & Galanis Research. [http://www.caltrain.com/Assets/\\_Marketing/pdf/2013+Caltrain+Triennial+Customer+Survey+-+Report.pdf](http://www.caltrain.com/Assets/_Marketing/pdf/2013+Caltrain+Triennial+Customer+Survey+-+Report.pdf)

a block or two of the Caltrain station. Young affluent riders will be enticed by after-work attractions such as bars, restaurants and entertainment.

**Recommendation: Engage a marketing consultant to develop a Menlo Park Caltrain station area marketing campaign.** Consider developing a branding campaign such as, “Rediscover Menlo” or “94025” etc. Such a campaign could target Caltrain riders by placing ads on Caltrain, Facebook, Spotify and other social media, regional news/media.

**Recommendation: Celebrate and highlight existing attractions** such as long-standing businesses that offer unique experiences compared to other cities, and which offer Menlo Park a competitive strength.

**Recommendation: Encourage commuter-friendly land uses along Caltrain corridor.**

Consider amending the Specific Plan for specific transit-oriented development (TOD) incentives such as reduced parking requirements within a 1-2 block radius of Caltrain station to attract new and redevelopment.

Regional branding campaign for Menlo Park Caltrain station area, see above.

Seek regional, state and federal funding for Transit-Oriented Development grants.

#### **GOAL 4. ACTIVATE THE EAST SIDE BY LEVERAGING PLANNING AND REAL ESTATE DEVELOPMENT OPPORTUNITIES IN THE M-2**

*The current M-2 zoning is restrictive and Menlo Park recognizes the need to up-zone this area. Currently minimum lot size is 25,000 square feet with minimum 100 foot by 100 foot dimensions, a 20 foot front setback, and maximum 50% lot coverage. The height limit is 35 feet and maximum Floor Area Ratio (FAR) for industrial uses is 55%, for office 45%.*

*According to the 2014 Menlo Park Economic Trends report,<sup>23</sup> the M-2 zone consists of 8.7 million square feet of built space on 640 acres. Of that, approximately 2.5 million square feet are in office uses and 2.7 million square feet are in industrial uses. Office rents are commanding on average \$5.16 per square foot per month, full service. 48% of the jobs in Menlo Park are located in the M-2 zone. The report also asserts that based on current market trends, new development in the M-2 can be expected to consist of Class A office buildings ranging from four to eight stories, and multi-family residential buildings at four to six stories.*

*Consider the office up-zoning scenario. Assuming 35 feet translates into three stories, an up-zoning that captures market demand might increase height limits to 85 feet, to accommodate up to eight-story developments. This would represent a five-fold increase in developable building area for any given M-2 property*

<sup>23</sup> Bay Area Economics. April 2014. “Menlo Park Economic Development Strategic Plan Phase 1: Economic Trends Report”

owner. Rather than simply give such a windfall to these lucky landowners, a fairer strategy might be to develop a “public development rights” trading market for these developable air rights. To quantify, say the M-2 zone has 2.5 million square feet of office currently, and we assume for simplicity’s sake and to be conservative that this represents full build-out of allowable development under current zoning; that is, buildings are built out to the 35 foot height limit. Up-zoning to 85 feet would create 12.5 million new potential square feet of developable air space. At \$5.16/sf this represents \$64.5 million in potential office revenue, a staggering amount if this were to be handed to property owners gratis through City-initiated up-zoning.

#### **STRATEGY 4A. CREATE MARKET-DYNAMIC LAND VALUE RECAPTURE SYSTEM - A “PUBLIC DEVELOPMENT RIGHTS” TRADING MARKET**

A Public Development Rights (PDR) trading system would require that above a certain development baseline, such as existing zoning, developers must purchase PDR or developable air rights, measured by floor area. The value of PDR units would be assessed in the same way that land value is assessed today, and at the time of the proposed purchase. In this way, the value of PDR units is allowed to fluctuate with the market as assessed property value is. The advantage of such a dynamic pricing system is that it remains relevant in ever-changing market conditions; if the real estate market falls, the price of PDR units falls with it, enabling land owners or developers to still consider purchasing PDR to densify their property or project.

PDR proceeds would be deposited into a “Smart Growth Infrastructure Bank” managed by a reputable third party financial institution. Funds from this Bank would be allocated to public benefit infrastructure projects as identified by the City, such as new or rehabilitated parks, plazas, playgrounds, pedestrian and bicycle infrastructure, streetscape improvements, public transit infrastructure, green stormwater management, etc. These projects could be publicly initiated or, with proper oversight in place, a private developer could propose public realm improvements above and beyond his or her project requirements, and the City could award funds that the developer must use towards those additional public improvements. Another way of thinking about PDR is as “Air Bonds,” which the City sells to raise funds for density-supportive public infrastructure improvements. San Francisco’s Transferable Development Rights (TDR) program is a successful model for this kind of trading system; it has been in place since the mid 1980s in San Francisco’s downtown area, and is still effectively and actively used.

**Case Study:** *San Francisco’s Transferable Development Rights (TDR) Program, established in 1985 in San Francisco Downtown Plan.*<sup>24</sup>

#### **STRATEGY 4B. ENGAGING FACEBOOK WITH THE COMMUNITY**

Facebook has expressed interest in exploring mixed-use opportunities in its upcoming development projects. Menlo Park should leverage this interest to the fullest in order to create a model to which other tech campuses can look for exemplary public-private partnerships.

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<sup>24</sup> <http://www.seifel.com/index.php/latest-news/preserving-san-francisco-s-unique-historic-and-cultural-character.html>

**Recommendation: Work closely with Facebook development team.** Be proactive with outreach and identify key players in various Facebook departments who are informed about each development parcel: existing Facebook campus, in-progress Facebook West campus, and the newly acquired Prologis site. Offer to attend meetings as a brainstorming partner and city “reality check,” in spirit of guiding development to be the best it can be.

**Recommendation: Promote walkable urbanism throughout. See Recommendations for Goal 2: Walkable Urbanism.**

### ***STRATEGY 4C. DEVELOP DUMBARTON RAIL CORRIDOR***

The Dumbarton Rail concept is a long-term necessity for the region as land uses densify, housing and office development grows, and traffic congestion increases. Though it may seem a major and risky investment today given the underutilization of land along the Dumbarton corridor, those conditions may make this an opportune time to invest in inevitable future growth. For the development of the Dumbarton Rail through Menlo Park we envision a phased approach that in the short term creates immediate benefit while also growing support for a longer term full-connectivity option between Caltrain and the East Bay BART.

**Case Study:** *Sonoma-Marin Area Rapid Transit (SMART) Rail and Trail White Paper*<sup>25</sup>

#### **Phase I: Dumbarton Trail**

Convert a portion of the right-of-way (ROW) into a multi-use bicycle and pedestrian trail, ideally with a paved two-way striped bike path and a permeable pedestrian/jogging trail (e.g. made of decomposed granite)

Remainder of ROW to be developed as light rail in Phases II and III

Future light rail land can be programmed with creative interim activation uses - arts, fitness activities, kiosks, e.g. a “High Line” of Menlo Park

Trail would remain through all three phases

Build support through Phase I uses for Phases II and III

#### **Phase II: Dumbarton Spur**

Build out non-trail ROW into rail spur connecting Facebook campus with Redwood City Caltrain

Bike-Ped trail remains intact

Build support through Phase II uses for Phase III

#### **Phase III: Dumbarton Rail**

Full buildout of Dumbarton Rail across San Francisco Bay to Union City, connecting Redwood City Caltrain to

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<sup>25</sup> <http://www2.sonomamarintrain.org/index.php/docs/whitepapers/>

Union City BART station

Ideally bike-ped trail remains intact, pending ROW width

**Sample ROW Details:**

Standard 2-way Class I bike pathway width = 7'9" (CA Highway Design Manual)

Gravel or decomposed granite (D.G.) pedestrian / jogging pathway width = 5' (Los Altos Hills D.G. pathway design)

Rail line width Comparisons – Caltrain, Mtn View Light Rail, SMART - TBD

Dumbarton ROW width = 80' in most places, 20' across bridges (Figure 8)

**Figure 8:** Dumbarton Rail Right of Way Dimensions



**GOAL 5. WORK WITH NEIGHBORING CITIES TO INCREASE TRANSIT & CYCLING OPTIONS THAT INTEGRATE MENLO PARK INTO THE REGION**

**STRATEGY 5A. DEVELOP DUMBARTON RAIL CORRIDOR**

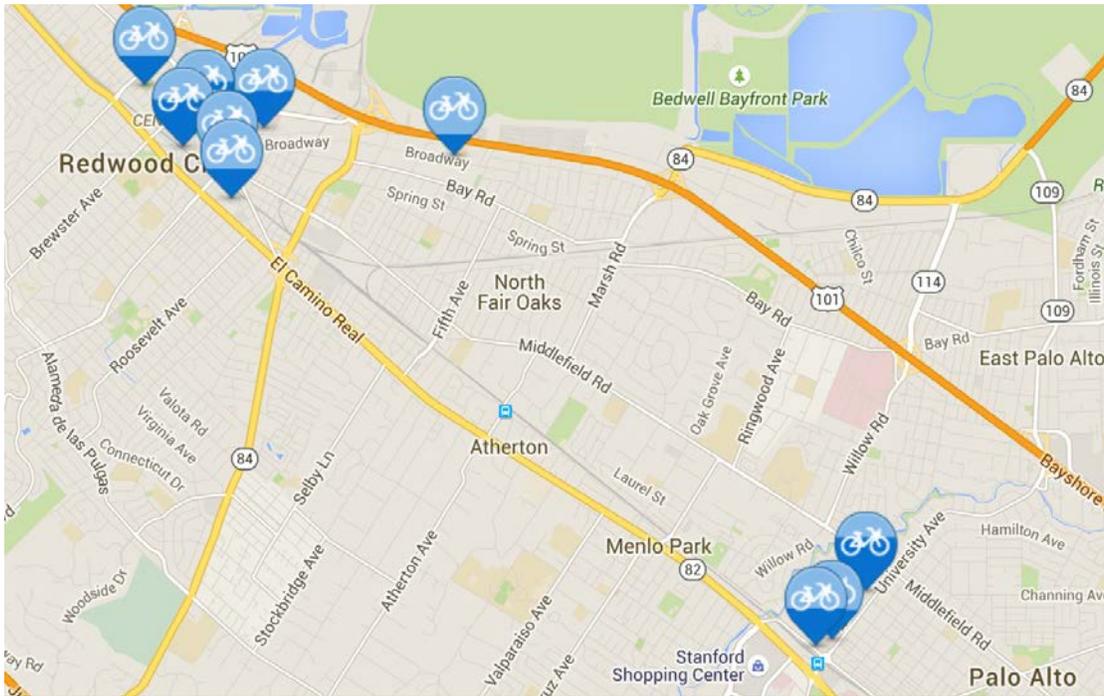
Capitalize on the existing rail corridor through the M2 zone for transit alternatives as described above in Strategy 4C.

**STRATEGY 5B. ESTABLISH PARTNERSHIPS WITH REGIONAL RIDESHARE PROGRAMS**

The Bay Area boasts several innovative rideshare programs that capitalize on the sharing economy to reduce car trips, traffic and parking congestion. As Menlo Park considers an increasingly transit-oriented future (e.g. Dumbarton Rail, Caltrain, High Speed Rail), it will be important to put systems in place to allow transit riders access to all parts of Menlo Park without needing a car.

**Recommendation: Bay Area Bike Share.** Currently this regional bicycle share program has stations at the Redwood City Caltrain and Palo Alto Caltrain. Menlo Park should consider requesting a BikeShare station at the Menlo Park Caltrain, potentially a location downtown, and at the Menlo Gateway and Facebook residential developments in the M-2 zone.

**Figure 9: Existing Bay Area Bike Share Stations Map**



**Recommendation: Scoot Networks.** Similar to Bike Share, Scoot Networks is an electric scooter rental program in which members may rent 1-person scooters from pods stationed in various locations throughout a city. Currently only in San Francisco, Scoot is however looking to expand in 2015. For a new location to be considered, it must have sufficient population density and a range of business services to support ridership.

**Recommendation: RidePal.** RidePal is a network of commuter buses that anyone can ride. Individuals can buy ride passes or small employers can provide passes for their employees if they are too small or new to develop a shuttle program of their own. There is currently a route from San Francisco to Menlo Park, stopping at 180 Jefferson Drive and at the intersection of Willow Road and Ivy Drive. Encourage employers and residents near these two existing stops to try RidePal if they commute to/from San Francisco, and explore working with employers and RidePal to add new stops.

## **STRATEGY 5C. EXPAND PUBLIC SHUTTLE SERVICE CONNECTING DOWNTOWN/ CALTRAIN TO M-2, SCHOOLS, PUBLIC/SENIOR FACILITIES**

Expand Menlo Park's existing [Caltrain, Midday and Shopper Shuttles Program](#) to further alleviate traffic and parking congestion, to increase mobility for youth and the elderly to key local destinations, and to encourage Caltrain ridership by growing the transit-accessibility of Menlo Park destinations.

Key destinations to link via shuttle: Caltrain Station, Downtown, community/recreation centers, schools, elderly care facilities. Future expansion to Menlo Gateway, Facebook properties, and potential future Marsh Road and Willow Road Dumbarton Rail stations should be explored.

Funding models:

Menlo Park could reassess its existing Annual Shuttle Fee levied on new development, currently at \$0.105/sq.ft. Evaluate potential to increase rate or apply rate to major commercial renovations in addition to new development.

Advertising revenue from shuttle side banners, shuttle stop walls, etc

Revenue from a downtown parking meter program

**Case Study:** See Appendix A for Downtown Shuttle Programs Summary.

## **STRATEGY 5D: ALLOW USAGE OF CITY CAR FLEET ON WEEKENDS/EVENINGS AS CARSHARE SERVICE**

Cities across the country are starting to use carshare programs to gain efficiencies in municipal vehicle fleet operations and maintenance costs, to meet greenhouse gas emissions targets, and to free up parking for public use. In Berkeley, the City has partnered with City CarShare to reserve a dedicated number of vehicles solely for city use during the work week. On weekends those cars become available to regular CarShare members for use. Other cities have now developed similar carsharing systems: Houston FastFleet & Washington DC Fleet Share use FastFleet; Philadelphia uses Enterprise CarShare for Government.<sup>26</sup>

**Recommendation: Municipal Carsharing.** Consider converting some or all of Menlo Park's city vehicle fleet to a carsharing model, as part of a Greenhouse Gas Reduction Strategy to be outlined in the General Plan Update. Explore options with CarShare, FastFleet, Enterprise and others, obtain and compare cost estimates to present to the City Council for review.

**Case Study:** [City of Berkeley City CarShare Fleet](#)<sup>27</sup>

*Begun 2004, first in country – other cities have used as model*

*Dedicated CarShare cars for city employees during work week, open to general CarShare members on weekends*

<sup>26</sup> <http://houston.fastfleet.net>; <http://dcfleetshare.fastfleet.net>; <http://www.fleetshare.com>; <http://www.enterprisecarshare.com/government/overview>

<sup>27</sup> <http://puff.lbl.gov/transportation/transportation/energy-aware/pdf/park-june05.pdf>

*Funding sources:*

*Under-parked development mitigation fee - \$150K in 1999, only usable to mitigate 10-stall deficit of underparked development*

*BAAQMD grant - \$126K*

*General funds reallocated from existing fleet & mileage reimbursements*

*New parking revenue from 10 additional stalls now for public parking*

*Benefits: Reduced fleet costs (ownership/insurance, maintenance, cleaning), reduced parking impacts, reduced scheduling inefficiencies, reduced GHG emissions*

*Eliminated 15 vehicles in Year 1 – converted to 5 CarShare vehicles*

*Avg annual cost savings (ownership/insurance, maintenance, cleaning), (not including new City parking income, air quality, or other indirect benefits)*

## **STRATEGY 5E. CREATE A “ONE-STOP-SHOP” TRANSIT ONLINE PLATFORM**

In addition to expanding capacity for alternatives to car-based travel modes, Menlo Park should concurrently expand awareness of and user support for these alternative modes from cycling and walking to sharing programs such as BikeShare and Scoot, to the Dumbarton Rail concept. As Menlo Park considers expansion of its transit options over the coming years, it is worthwhile to establish early on a digital central clearinghouse or hub outlining all travel options in a clear accessible manner. This way, as new transit modes are added to the city’s network, residents and transit users will already be familiar with the existence of a central information hub where they can learn about each transit option available to them and recommended routes. Envisioned as a website or app, this clearinghouse could also offer coupons or other incentives to boost ridership.

**Recommendation: Consider developing a “GoMenlo” type sub-website and/or app** with descriptions of all available modes and links to “how to” trip planning and fare information, e.g. in the model of GoBerkeley.<sup>28</sup>

**Case Study:** [GoBerkeley](#), City of Berkeley – received federal funding, explores methods for reducing local traffic congestion. 2012-2015 pilot so should have advice and lessons learned to share.

**Case Study:** [HopStop](#) – web- and app-based transit planning service in 300 cities worldwide<sup>29</sup>

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<sup>28</sup> <http://www.goberkeley.info>

<sup>29</sup> <https://www.hopstop.com/about>

## GOAL 6: ENHANCE CULTURAL & ARTS OFFERINGS

### STRATEGY 6A. INCREASE LAND USE FLEXIBILITY TO ALLOW FOR INNOVATIVE USES.

Many city zoning codes still reflect antiquated notions of separation of land use, restricting uses to a limited variety of single-purpose uses. However, urban planning theory today espouses the benefits of mixed-use zoning, or allowing multi-functional land uses, as a way to grow economic and community vitality especially in downtown commercial core and planned community areas. In order to attract economically viable commercial, office and even residential uses, cities should allow for non-conventional land uses such as temporary or “pop-up” uses, arts uses, “maker spaces,” business incubator spaces, co-living residential developments, etc. If Menlo Park seeks to capture a greater share of the innovation economy, it should encourage these flexible and creative uses of space to attract forward-thinking developers and businesses. A successful example of a pop-up that has also proven a lucrative sales tax generator is Menlo Park’s Pace Gallery. Located on El Camino Real, the contemporary art gallery pop-up was originally slated for a two-month stay but its tenure has been repeatedly extended, suggesting there is indeed a healthy market for arts-related offerings.

**Recommendation: Expand the permitted uses in commercial zones.** Currently Menlo Park’s M-2 “General Industrial District” zone allows only general industrial, office and storage as permitted uses, with cafes, convenience stores, personal services, day care, and public utilities as conditional uses. The ongoing General Plan update should consider flexibility in the types of allowable land uses that are trending in the current real estate marketplace and that may not fit well into existing land use categories. For example, many biotech companies require two work spaces per employee – an office and a lab – thus the parking requirement for this use might be lowered. In contrast, many tech startups utilize an open floor plan featuring more workers per square foot than under the conventional cubicle and private office model.

The SP-ECR/D “El Camino / Downtown Specific Plan” zone allows a greater mix of uses but is still restrictive in terms of restaurant uses, station area uses, and community services among others. The C-4 “General Commercial Retail” though limited to a small percentage of Menlo Park’s land area allows only retail stores, banks, offices, personal services, and cafes and restaurants without alcohol as permitted uses. These use restrictions limit creative land uses like art pop-ups, temporary art exhibitions in retail spaces, and outdoor art exhibitions and festivals. See Strategy 1A recommendations about pop-up zoning.

**Case Study:** [Norfolk VA Downtown Arts and Design District](#)<sup>30</sup>

*Result of a weekend-long community design event by Team Better Block – to create a new zoning district. 90% of once-neglected buildings now under contract or leased*

*Allowed uses - includes relatively innovative downtown land uses such as: Art Gallery, Farmer’s Market, Mixed Use, Indoor/Outdoor Flea Market, Retail Goods Establishment (operating after midnight), Retail Services Establishment (operating after midnight), Sale of Alcoholic Beverages for Off-Premises Consumption, Arts Studio, Dance Studio, Theater, Amphitheater, Museum, Community Recreation Center, Brewery and Microbrewery, among others.*<sup>31</sup>

<sup>30</sup> <http://www.norfolk.gov/index.aspx?NID=3047>

<sup>31</sup> [https://www.municode.com/library/va/norfolk/codes/code\\_of\\_ordinances?nodeId=COCI\\_APXAZOOR\\_ARTIISPDIREDI\\_CH8DODI\\_8-4DOARDEDI](https://www.municode.com/library/va/norfolk/codes/code_of_ordinances?nodeId=COCI_APXAZOOR_ARTIISPDIREDI_CH8DODI_8-4DOARDEDI)

**Recommendation: Add “Art Gallery” to permitted uses in zoning code.**

**Case Study:** [SFMOMA's Project Los Altos](#). Four-month art exhibition partnership in 2013-2014 between SFMOMA, City of Los Altos, Passerelle Investment Company. Original work by 9 artists up for public viewing in private and public spaces throughout downtown Los Altos. Because no “art gallery” designation existed in zoning code, the 3 indoor public art exhibition spaces were considered temporary uses, with permitting expedited by the City of Los Altos. City listed as co-sponsor for in-kind provision of permitting in private and public spaces for exhibition.<sup>32</sup>

**STRATEGY 6B: STREAMLINE PERMITTING & FEES FOR STREET EVENTS.**

Street activation events bring more people downtown, which can enhance economic vitality for downtown businesses and thus City sales tax revenue. Menlo Park can encourage street activation by reducing barriers for community groups, individuals and businesses to obtain necessary approvals.

**Case Study:** San Francisco Market Street Prototyping Festival, April 9 – 11, 2015. 50 temporary art and civic engagement installations to “make San Francisco’s premier civic street a more active, engaging and inspiring public place.”<sup>33</sup>

**Recommendation: Reduce 60 day advance permit application time** to allow for more spontaneous community-building events. Note that City staff is currently working to bring in new staff resources to help with community events, which should also help streamline this process.

**STRATEGY 6C. CREATE CITY MATCHING GRANT FUND FOR STREET ACTIVATION**

Streets and sidewalks comprise roughly one third of a city’s land area, and much of this space could be better used to serve the residents and property owners, taxpayers who fund its care. Expanding upon Menlo Park’s downtown sidewalk dining program, facilitate more varied use of public rights of way including streets, sidewalks and public parking lots.

**Recommendation: Establish matching grants** to leverage private sector investment for greater public benefit. Seek outside government or foundation support to supplement fund as needed.

**Case Study:** [San Francisco’s Community Challenge Grant Program](#)<sup>34</sup>

*For community-based neighborhood beautification projects*

*2009 awarded ~\$1m in 2 rounds*

<sup>32</sup> [www.sfmoma.org/losaltos](http://www.sfmoma.org/losaltos)

<sup>33</sup> <http://www.sf-planning.org/index.aspx?recordid=270&page=2719>

<sup>34</sup> <http://www.sfgsa.org/index.aspx?page=4264>

*Must be matched at 35-50% depending on grant size*

**Case Study:** [San Francisco Invest in Neighborhoods Initiative](#)<sup>35</sup>

*Provides assistance to strengthen commercial corridors and districts*

*Partnership of several city departments – Planning, Public Works, Transportation*

*Launched in 2012*

*2013 awarded \$500K in \$10-20K grants*

**STRATEGY 6D. PROPERTY TAX REBATES FOR LANDLORDS WHO ALLOW ARTIST/MAKER SPACES.**

Encouraging creative land uses such as artist studios and pop-ups can lead to a multiplier effect in which the presence of creative businesses attracts other creative businesses, driving an overall boost in the desirability of the area for the innovation sector businesses and residents alike.

**Case Study:** [Maryland’s Smart Growth Arts & Entertainment District Program](#)<sup>36</sup>

*Begun 2001, first statewide program in country.*

*First District created in 2002, Station North*

*Property tax abatement “to encourage the renovation of buildings for use by artists or arts and entertainment enterprises by lessening the financial burden on property owners”*

*Incentives offered:*

*Income tax deduction for artistic work sold by “qualifying residing artists”*

*Property tax credits for renovation of buildings that create space for artists and/or arts-related enterprises*

*Exemption from Admissions and Amusement tax levied by district artists and enterprises*

*Loan eligibility from Maryland Economic Development Assistance Fund*

**Case Study:** [Los Angeles Creative Artist Tax Exemption](#). For “creative artists” generating up to \$300K in gross receipts from their qualifying “creative activities.” For businesses not landlords.<sup>37</sup>

**STRATEGY 6E. CREATE “INTERIM ARTS USE” AND “POP-UP” LEASE TEMPLATES**

The City of Menlo Park’s Economic Development Department could provide educational resources and basic lease templates to help guide property owners through the process of creating a pop-up program. UP Urban Inc. (DBA Build Public) can assist with the development of such templates if requested, drawing upon past experience.

<sup>35</sup> <http://investsf.org>

<sup>36</sup> [http://www.mdarts.org/advocacy/historical\\_advocacy/smart-growth-arts-entertainment-districts](http://www.mdarts.org/advocacy/historical_advocacy/smart-growth-arts-entertainment-districts)

<sup>37</sup> <http://finance.lacity.org/content/entertainmentcreativetalentfaq.htm>

## **STRATEGY 6F: LINK POP-UP BUSINESSES WITH UNDERUTILIZED RETAIL SPACE.**

Consider working with groups like Storefront and Pop-Up Hood among others to identify underutilized or vacant storefronts Downtown and in the M-2 zone, and connect them with prospective creative sector businesses.

**Case Study:** See [Storefront](#) and [Pop-Up Hood](#)<sup>38</sup>

## **GOAL 7. PRESERVE HOUSING AFFORDABILITY AND INCOME DIVERSITY WHEREVER POSSIBLE**

*One of the biggest problems facing the Bay Area is that housing is too expensive for those who are not protected from rising costs by either homeownership or rent control. High housing costs act like an additional tax, reducing household wealth and dampening the economy. They lead people to save on housing by living further from their workplace, putting more cars on the freeway. High housing costs are passed back to businesses and then to consumers, pushing up the cost of groceries and everything else. To find affordable housing, some households are at risk of being forced to leave the region.*

*To address this problem, Bay Area governments commonly mount three general policy responses:*

*Build affordable housing reserved for low-income households (earning less than 80% of area median income) or moderate income households (earning 80% to 120% of area median income). Common funding sources include federal tax credits, the US Department of Housing and Urban Development (HUD), and local property developers (where inclusionary housing is required).*

*Make room for the private sector to provide more affordable housing through zoning policy changes. Examples include legalizing backyard and garage “accessory” dwelling units; reducing development costs by relaxing standards for parking and unit size; and changing zoning to permit greater development. The potential benefits of such policies are commonly underestimated.*

*Coordinate through regional bodies to ensure that the responsibility to provide housing is fairly distributed throughout the region.*

*Menlo Park is already leading this effort with its 2015-2023 Housing Element, which includes policies addressing the above best practices. However, over time further measures will be necessary to address the region’s housing crisis, and the City should prepare now for that challenge. There will be no quick fix to this problem; problems of housing affordability will most likely pose an ongoing problem in Menlo Park, and in most communities in the Bay Area, for many years to come.*

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<sup>38</sup> <https://www.thestorefront.com>; <http://www.popuphood.com>

**Recommendation. Allow taller buildings and relax parking requirements so that homes can be built more cost effectively.**

*Case study: [San Pablo Avenue Specific Plan](#) (El Cerrito). Establishes new height and density requirements to promote a vibrant, transit-oriented downtown.<sup>39</sup>*

*Case Study: [Vermont/Western Transit Oriented District](#) (Los Angeles). Replaces minimum parking requirements with maximum parking allowances.<sup>40</sup>*

**Recommendation. Allow micro-apartments and/or co-living projects that cost less to build than regular apartments.**

*Case study: [SoMa Studios](#) (San Francisco). Compact, flexible housing units cater to small households at cheaper prices.<sup>41</sup>*

## GOAL 8. CONSIDER THE NEEDS OF THE MARKET -- NOW AND IN THE FUTURE

### STRATEGY 8A. DESIGN FLEXIBILITY & ADAPTABILITY INTO CODES

As described in Strategies 1A and 6A, zoning codes need to be adapted to allow more flexibility in permitted land uses now and in the future. Pop-ups, art galleries, community spaces and flex-use spaces that vary by time of day are challenging conventional zoning models. In order to unlock the economic development potential of these innovative uses, Menlo Park should weigh flexibility options rather than adhere to a prescriptive land use based zoning code. See also Palo Alto's exploration of flexible zoning codes: [Flexibility vs. Certainty Discussion Paper](#), Dyett & Bhatia, 2001.<sup>42</sup>

*Case Study: Lafayette, LA – [PlanLafayette website](#). Clear straightforward website, simple fact sheets describing programs and codes. Lafayette is moving to a Unified Development Code integrating zoning, subdivision, and land use regulations into a single document.<sup>43</sup>*

*Case Study: [East SOMA Area Plan](#), San Francisco. Flexible zoning allows mix of land uses.<sup>44</sup>*

### STRATEGY 8B. INCENTIVIZE TECH INCUBATOR SPACES

The M-2 zone is a prime candidate for flexible tech innovation and R&D spaces. Many models exist to which Menlo Park can look, from a top-down approach such as Fremont's planned Innovation District, to a more market-driven approach such as Boston's Innovation District.

*Case Study: Warm Springs Innovation District, Fremont. (See CEAS Case Study Appendix, pg 21)*

<sup>39</sup> <http://www.el-cerrito.org/index.aspx?nid=396>

<sup>40</sup> <http://planning.lacity.org/complan/specplan/pdf/VermontWesternTOD.pdf>

<sup>41</sup> <http://www.bizjournals.com/sanfrancisco/blog/real-estate/2013/06/patrick-kennedy-to-sell-micro-units.html?page=all>

<sup>42</sup> <http://www.cityofpaloalto.org/news/displaynews.asp?NewsID=872&TargetID=239>

<sup>43</sup> <http://planlafayette.com/>

<sup>44</sup> [http://www.sf-planning.org/ftp/General\\_Plan/East\\_SoMa.htm](http://www.sf-planning.org/ftp/General_Plan/East_SoMa.htm)

**Case Study: [Boston Innovation District](#)<sup>45</sup>**

*1,000 acres in South Boston waterfront, created in 2010*

*An “urban environment that fosters innovation, collaboration, and entrepreneurship”*

*Since 2010 - 5000 new jobs added, 200 companies, 30% is in tech, 21% creative, 16% science tech*

*40% in co-working/shared incubator spaces*

*25% have <10 employees*

*Public-private partnership to create District Hall innovation space – “public innovation center...space for networking, events, working alone or with others, even pop-up shops”*

*Considering “innovation housing” – co-living*

*Lessons learned<sup>46</sup>*

*Design is important – must be attractive, user-friendly urban space*

*No financial incentives for businesses to locate there*

*But rents rising – as of Jan 2014 avg \$52/sf-yr (\$4.33/sf-mo)<sup>47</sup>*

*No specific sector targeted/incentivized – allowed market to determine*

*250' height limit*

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<sup>45</sup> <http://www.innovationdistrict.org/>

<sup>46</sup> <http://www.aia.org/aiaucmp/groups/aia/documents/pdf/aiab100106.pdf>

<sup>47</sup> <http://www.bostonglobe.com/business/2014/01/10/rents-soaring-city-innovation-district/nqeKNcRiLJijjKEEGog8GP/story.html>

## GOAL 9. ATTEND TO THE DETAILS

*In order for Menlo Park not to lose sight of the “small stuff” which supports overall quality of life, it must continue to focus on everyday services like maintenance and public infrastructure improvements. Unfortunately these services often are among the first to go when City budget or staffing declines; many cities are moving the responsibility of streetscape maintenance onto abutting property owners (in downtown Los Altos for example, many property owners are responsible for the publicly owned planted area between sidewalk and street). While a good idea in theory to call on the private sector to perform maintenance and improvements that benefit nearby property owners, developers and businesses, in reality the agreements are not always codified or funded adequately to ensure proper stewardship of the public realm.*

### **STRATEGY 9A. LEVERAGE TECHNOLOGY TO ENGAGE COMMUNITY IN UPKEEP OF THEIR CITY**

#### **Recommendation: Publish baseline standard of city services on city website.**

Though a seemingly simple action, clear communication of the services that a city provides its taxpayers in terms of its maintenance and improvements of the public realm is rare to find. To outline these services on the City's website, broken down into taxpayer-dollar metrics, may help residents understand (and perhaps even appreciate) how their tax dollars are being put to good use. This will also help identify for citizens, neighborhood groups, developers, businesses and property owners where city services are in need of private supplementation.

**Case Study:** [Palo Alto's Open Data platform](#) – City Services dashboard.<sup>48</sup>

**Recommendation: Open source city data to allow development and adoption of civic apps.** Many web-based tools are being developed nationwide to help city governments innovate. Code for America has numerous open source apps and APIs for cities to adapt

**Case Study:** Code for America's "[Adopt a Fire Hydrant](#)" program used in Boston. Described in Jennifer Pahlka's 2012 TED Talk, "[Coding a Better Government](#)" (12 minutes).<sup>49</sup>

### **STRATEGY 9B. LEVERAGE PRIVATE SECTOR TO SUPPLEMENT CITY SERVICES**

The private sector – developers, property owners, community groups and other nonprofits – can step in to supplement baseline city services where more assistance is needed, provided the parties can agree to a long-term maintenance and funding plan.

<sup>48</sup> <http://data.cityofpaloalto.org/dashboards/8873/city-services/>

<sup>49</sup> <http://www.codeforamerica.org/apps/>; [http://www.ted.com/talks/jennifer\\_pahlka\\_coding\\_a\\_better\\_government/transcript?language=en](http://www.ted.com/talks/jennifer_pahlka_coding_a_better_government/transcript?language=en)

**Recommendation: Require ongoing maintenance of adjacent public realm improvements associated with new or redevelopment projects.**

In addition to requiring streetscape improvements or other public improvements as part of a Development Agreement for example, Menlo Park could also require that the developer provide funding and maintenance of the public improvement for the first several years.

*Case Study: [San Francisco's In Kind Agreement process](#) requires developers of in-kind public improvements to develop a Maintenance Plan that identifies a funding source and management and operations entity to steward the improvement for at least three years after project completion.<sup>50</sup>*

**Recommendation: Encourage establishment of neighborhood stewardship entities.**

In San Francisco, residential property owners who want to improve their neighborhood parks, streetscapes, and other public realm features can form a Green Benefit District (GBD). A GBD is like a Business Improvement District (BID) for residential neighborhoods, and is a form of assessment district. District property owners pay through their property taxes to feed a fund that is used for agreed-upon neighborhood improvements. Importantly, because it has a regular funding source a GBD must have a robust management plan that outlines how the funds are to be managed, how the assessment rate is calculated, and what project types can be funded.

*Case study: [Dogpatch Northwest Potrero Hill GBD](#) (San Francisco). This is the first pilot of the GBD program and is in the formation process. Pending sufficient petition and ballot support, the inaugural assessment would be placed on November 2015 property tax bills.<sup>51</sup>*

## GOAL 10. RETHINK DOWNTOWN

*Menlo Park enacted the El Camino Real and Downtown Specific Plan in 2012. That plan articulates a positive and realistic vision for the downtown, and it implements some of the policies needed to achieve it. While continuing to implement the Specific Plan, consider integrating some or all of the strategies below.*

### STRATEGY 10A. CONTINUE TO VALUE THE DOWNTOWN.

The downtown area is a resource for the citizens of Menlo Park in all sorts of ways. Practically, it gives Menlo Park's residents places to shop as well as access to Caltrain and Samtrans services that connect them to the region. Fiscally, it generates property tax and sales tax revenues that fund government services and reduce the tax burden on residents. More intangibly, it contributes to the City's sense of identity. Downtown currently provides roughly \$1 million in annual sales tax revenue, which is a relatively small but growing percentage of the city's revenue stream. Continuing to bolster the vitality of downtown will improve the economic health of Menlo Park as a whole.

<sup>50</sup> <http://www.sf-planning.org/Modules/ShowDocument.aspx?documentid=8601>

<sup>51</sup> <http://www.dnwph-gbd.org/>

## **STRATEGY 10B. GROW WALKABLE URBANISM.**

Looking around at nearby cities, the most successful downtowns follow a pattern of “walkable urbanism.” They combine good transit services, moderate residential density to support businesses, building form that supports a walkable public realm, and smart parking management. A virtuous cycle develops, in which visitors attract businesses, which then attract more visitors.

## **STRATEGY 10C. ENCOURAGE HOUSING, TRANSIT, WALKING AND BIKING.**

Traffic problems are front and center in Menlo Park and throughout Silicon Valley, and they contribute to a vicious cycle. Communities are afraid to build more housing for fear of the traffic it could bring. Meanwhile, the region’s economy continues to grow. Because cities are not building housing, people have to go further from the workplace to find a house, making their commute longer and adding one more car to rush hour. The pressure of housing costs segregates communities by income.

**Parking.** Parking is a central element in Menlo Park’s downtown. The City recognizes this, which is why it has provided parking plazas throughout the downtown area. This gives the City a powerful policy lever. Effective management of the City’s parking assets could make parking easier, improve downtown traffic, and allow more activity downtown. A parking structure could free up a plaza for other uses – imagine a city square with café tables and trees, or apartments three minutes from Caltrain and the planned El Camino Real Bus Rapid Transit line. Today, it is difficult to build new retail space and housing downtown. Downtown parking standards give single-story buildings (floor area ratio of 1.0 or less) the use of parking spaces in the parking plazas to meet zoning requirements. Meanwhile, taller buildings have to provide the parking themselves. Eliminating this discrepancy could be one step towards promoting development downtown.

**Land Use.** In an area where real estate is in such high demand, Menlo Park has the luxury of choice: the City could encourage almost any style of development the community might want. Looking around at other cities, what makes sense here, in the center of Menlo Park, near Caltrain services that put you an equally short train ride away from downtown San Francisco and downtown San Jose? This is a question that only the community can answer. You could have hip new apartments like Burlingame. You could have offices: demand is high and the market will vacuum up new space. Either one would boost the customer base of local businesses, and allow new retail businesses to open.

### **Recommendation. Price parking intelligently and create a parking benefit district.**

**Case study:** [SFPARK](#) (San Francisco). Uses dynamic parking pricing – prices that rise in high-demand locations and at high-demand times – to encourage use of under-utilized parking, keep some parking available at most times in most locations.<sup>52</sup>

<sup>52</sup> <http://sfpark.org/resources/how-the-sfmta-makes-parking-management-decisions/>

## **Recommendation. Build a downtown parking structure.**

**Case study:** [BART Parking Structure](#) (Richmond). A 750-space parking structure expanded development possibilities downtown.<sup>53</sup>

**Case Study:** [West Hollywood Automated Parking Structure](#) (Los Angeles).<sup>54</sup>

54,500 square foot structure – 200 cars (vs 68 cars if conventional structure)

Cost \$10.6 mil (vs standard equivalent structure estimated to be \$11.65 mil)

Automated structures are 30-50% more space-efficient than conventional structures.

Will yield energy savings, emissions reductions, and enhanced public safety and vehicle security.

## **Recommendation. Use transportation demand management measures to increase transit use, walking and bicycling.**

**Case study:** [Transportation Sustainability Program](#) (San Francisco). Replaces traffic level of service (LOS) evaluation of development projects with evaluation based on transportation demand management and non-auto mode share.<sup>55</sup>

## **Recommendation. Relax parking requirements in areas near transit.**

**Case study:** [Vermont/Western Transit Oriented District](#) (Los Angeles). Replaced minimum parking requirements with maximum parking allowances.<sup>56</sup>

## **Recommendation. Join Bay Area Bikeshare and install bike sharing facilities.**

**Case study:** [Bay Area Bike Share](#) (Palo Alto). Made downtown Palo Alto easier to get around without a car by joining Bay Area Bike Share.<sup>57</sup>

## **Recommendation. Replace regulations of land use that distort housing and commercial markets with flexible uses and form-based codes.**

**Case study:** [Central Petaluma Specific Plan](#) (Petaluma). Allows mixed-use buildings and ground-floor commercial uses in most areas.<sup>58</sup>

<sup>53</sup> <http://www.bart.gov/news/articles/2013/news20130514>

<sup>54</sup> <http://www.weho.org/city-hall/city-departments-divisions/assistant-city-manager/innovation-and-strategic-initiatives/25th-anniversary-capital-project/city-hall-automated>

<sup>55</sup> <http://www.sf-planning.org/index.aspx?page=3035>

<sup>56</sup> <http://planning.lacity.org/complan/specplan/pdf/VermontWesternTOD.pdf>

<sup>57</sup> <http://www.paloaltoonline.com/news/2013/08/29/palo-alto-puts-bike-share-system-into-gear>.

<sup>58</sup> <http://cityofpetaluma.net/cdd/cpsp.html>

## GOAL 11. MAKE MENLO PARK A PREDICTABLE PLACE TO DO BUSINESS

*Governments at all scales, and cities in particular, face the challenge of keeping up with the fast-paced and ever-evolving ways in which technology is revolutionizing how we communicate with one another. Being the most local governance authority for a population, city governments theoretically should have the most direct and close communication channels with their residents. However, too often a city's communication tools - websites, meeting notifications, approval processes and more - are cumbersome and difficult to navigate. This can discourage engagement and lead to a perceived sense of civic apathy, when in fact it may simply be that communication efforts could be clearer. See [TED Talk by Dave Meslin: The Antidote to Apathy](#) (2010) (7 min)<sup>59</sup>*

*As the sophistication and clarity of user interfaces for personal devices, apps, and other web-based platforms grows, so does the disparity between this 21st century technology and increasingly outdated city web interfaces.*

**Recommendation: Continue to improve Menlo Park website to be simpler and more interactive for customers.** Building on the recent upgrade to the City's website, Menlo Park could continue to simplify its menu options to improve the customer service experience. Being located in the heart of Silicon Valley, Menlo Park's website should be a hallmark of innovation. Here are a few examples of compelling, modern city websites that could serve as models for Menlo Park.<sup>60</sup>

[PlanLafayette](#) (Lafayette, LA) – Lafayette's comprehensive plan update website. ConnectMenlo could model after this, very clear and engaging.

[Lancaster](#) (PA) – city website, clean, modern.

[Nashville](#) (TN) – city website, clean modern.

[Grand Rapids](#) (MI) – city website, clean, cool URL.

[Oakville](#) (Ontario, Canada) – city website, clean.

[Chattanooga](#) (TN) – city website, relatively clean. Chattanooga also known for inventing their own font, Chatype, great branding

[Milwaukee Police News](#) (Milwaukee, WI) – not full city website, but catchy/trendy layout

### **Recommendation: Enhance Menlo Park Open Government site**

Consider engaging Code for America to create a more interactive, user-friendly dashboard interface where residents can learn and give feedback about their city. <http://www.codeforamerica.org/governments/principles/open-data/>

**Case study** – [City of Palo Alto Open Data Portal](#) – clean, interactive, dashboard-style data displays. See also [Palo Alto's Open Government website](#) – excellent financial reporting platform.<sup>61</sup>

<sup>59</sup> [http://www.ted.com/talks/dave\\_meslin\\_the\\_antidote\\_to\\_apathy/transcript?language=en](http://www.ted.com/talks/dave_meslin_the_antidote_to_apathy/transcript?language=en)

<sup>60</sup> <http://gizmodo.com/how-seven-cities-designed-surprisingly-great-websites-1442572957>

<sup>61</sup> <http://data.cityofpaloalto.org/home>; <https://paloalto.opengov.com/transparency>

## **Recommendation: Create a 1-stop permit application and tracking system.**

Consider engaging with groups like [Open Government Data](#), [Accela](#), [OpenCounter](#) or similar to develop a centralized web-based system through which developers are guided through the city's approval process.<sup>62</sup>

**Case Study:** [OpenCounter online permitting system in City of Santa Cruz](#)

## **CONCLUSION**

Menlo Park boasts unique comparative economic advantages in the San Francisco Bay Area region which provide a strong base for enhancing its economic vitality. The eleven Economic Development Goals established by the Menlo Park City Council in January 2015 outline a vision; the strategies and recommendations described in this document provide a suggested roadmap for achieving that vision. To the extent possible, Menlo Park should consider incorporating these recommendations into its upcoming General Plan update, to ensure that the Economic Development Goals are implemented in furtherance of Menlo Park's long term economic sustainability.

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<sup>62</sup> <http://opengovernmentdata.org>; <https://www.accela.com/platform>; <https://opencounter.us>

# 04

## APPENDIX

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*Prepared by:*

UP URBAN, INC. (DBA BUILD PUBLIC) 2015

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