

MENLO PARK

ECONOMIC DEVELOPMENT GOALS

Introduction

Situated at the center of one of the world's most dynamic innovation clusters, Menlo Park is already an extraordinary beneficiary of the regional economy. A large percentage of its highly educated and affluent resident population and its employee base work in the innovation sector. At the same time, Menlo Park is failing to capture many of the potential positive benefits that the innovation sector could bring to the local economy, in the form of a more diverse range of retail, recreational and cultural services and jobs, greater public amenities and revenue, a higher quality of life, and, ultimately, a broader array of new job opportunities beyond the innovation sector.

Through its future General Plan update, and the concurrent adoption of a new Economic Development Plan, Menlo Park has a chance to design and implement new policies and actions that will strengthen its economic competitiveness, quality of life and fiscal health. To this end, the Menlo Park Economic Development Advisory Group defined the following economic development goals that build on the opportunities identified in the Comparative Economic Advantage Study.

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.