

City launches recovery plan

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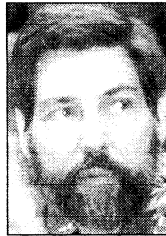
Palo Alto officials are pinning an economic recovery on an ambitious three-year action plan that calls for creating an "auto row" on U.S. Highway 101, building a new conference hotel and imposing a business registry fee.

The action plan, which features more than two dozen different recommendations, is the product of the 2-year-old Mayor's Retail Attraction Committee. A broad cross-section of Palo Altans, from real estate developers to neighborhood association leaders, sat on the panel.

This plan comes at a time when the city is struggling to shore up and expand its economic base. In a built-out city where big-box retailers aren't welcome and the city has a reputation of being business unfriendly, finding ways to retain sales tax dollars has grown into a serious undertaking.

Committee chair and City Council Member Bern Beecham

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BEECHAM

RECOVERY

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lauded the committee's recommendations as "significant and far-reaching."

"Their successful implementation can have a major, positive impact on the city's future revenues and help to ensure that comprehensive retail services are available for all those who live and work in Palo Alto," Beecham noted in a statement attached to a finished draft of the plan obtained by the Daily News yesterday.

The committee's recommendations will be presented at a joint City Council and Planning and Transportation Commission session slated for Dec. 12.

An "auto row" located at the city's municipal service yard could generate up to \$6 million a year, Beecham estimated. City staff still needs to verify that figure, he added.

"There's a huge potential there," committee member and real estate developer Chop Keenan said in a telephone interview yesterday. "We could add at least \$5 million to the bottom line."

Moving Fry's Electronics from Park

Boulevard to El Camino Real could increase sales tax revenues by as much as \$1 million, Beecham said. The action plan suggests a possible Redevelopment Agency project as one way to accomplish the goal.

Loss of major hotel

The city lost its biggest conference hotel and a major transient occupancy tax generator when Hyatt Riskey's closed earlier this year. The city needs a new hotel that can provide adequate meeting facilities if it is to remain competitive with neighboring towns, Beecham said.

The business registry fee is the most controversial of the recommendations, with some of the committee's members opposed to adding another levy to Palo Alto businesses.

"We don't need it," Keenan said. "We need carrots, not sticks. And, incidentally, taxes are sticks."

But proponents say a business registry fee stands to provide the city with an invaluable inventory of the businesses

that operate within the city. The fee would cover the cost of gathering all of that information, city officials said.

Optimistic outlook

Real estate developer John McNellis, who served on the committee, hailed the action plan as a step in the right direction. "The city is acknowledging it has a problem in that it is perceived as business unfriendly."

The committee's action plan is "very workable," said City Manager Frank Benest, adding the city needs sources of revenue to continue providing the same level of public services in the wake of the dot-com bust.

"Things were good," he said. "We've discovered we have to be competitive."

Success is only a matter of accomplishing just a few of the recommendations.

"If we are able to succeed on two or three of these items," Beecham said, "it will be the biggest thing we've done in terms of increasing revenues without taxing our citizens."