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Daily Post (Palo Alto, CA)

Tech firms may violate zoning Writing code not allowed downtown

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Palo Alto's downtown has shifted from traditional businesses to tech companies, but Mayor Pat Burt says these firms are operating in violation of the city's **zoning** code. Two examples he offered were Amazon and Palantir. Tech companies like these are not listed as a permitted use, he said.

The municipal code for the downtown commercial district lists appropriate office uses as "administrative office services," and "medical, professional and general business offices."

Administrative offices for tech companies could fit downtown, Burt said, but not when you add 1,000 software coders.

Burt brought the topic up at Monday's City Council meeting during a study session on a proposal for new buildings at 550 Hamilton Ave. A developer proposed a 57,475-square-foot office building and a 57,292-square-foot condo building on a 1.3-acre lot. Council shot down the proposal, which would have doubled the density of the site.

In the city, historically, large tech companies were located within the Stanford Research Park, while smaller companies were located in the East Bayshore area, Burt said.

This left the downtown area for smaller "traditional" businesses, such as lawyers, insurance companies and other services for residents, he said.

Burt said he believes a shift started taking place in the early 1990s with more tech companies entering downtown. City officials back then said these offices were "sort of permitted," so they allowed them, he said.

But then the software companies began choking out other types of businesses, Burt said. And now big tech companies are continuing to grow and grow in downtown to the point where they are even forcing out smaller tech companies, he said.

A second Stanford Research Park

The big electronic companies such as Amazon and Palantir weren't intended for downtown, Burt said.

"Downtown was never meant to become the second Stanford Research Park," he said.

However, startup tech companies are a "healthy part" of the downtown environment, and Burt said he would be open to changing the city's **zoning** so these startups are allowed downtown.

But once companies grow to a certain size, they should look to move, Burt said. Although he said he's not sure what a good size would be.

It would be challenging to push the bigger companies out of downtown, Burt said. But the city needs to reexamine whether it should allow the expansion of companies moving forward, he said.

There are no conversations scheduled at this point, but it is something people are trying to think through, Burt said.

He added that he thinks city officials are hesitant to acknowledge the problem, because they don't yet have a solution.

The city didn't respond to requests for comment yesterday.

The downtown area is losing its diversity, Burt said. And it appears it's not because the **zoning** changed, but because the city didn't pay attention to it, he said.

Reaction

Following Monday's meeting, resident Richard Alexander wrote in a letter to the Post that he was stunned by Burt's comments during the meeting.

"There is a profound disconnect between the residents of our town and City Hall staff who are duty-bound to enforce our laws and choose to do nothing," Alexander said.

These major transgressions demand an equivalent response, he said.

"Don't simply fire the lower level staff but everyone up the chain of command," Alexander said. "Strip them of rank and privilege and ride them out tied to a cannon."

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