

City of Mountain View, California

ECONOMIC VITALITY STRATEGY

August 3, 2023 Draft



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ACKNOWLEDGMENTS

To be included
with final EVS



EXECUTIVE SUMMARY

In 2021, as the world worked through nearly two years of challenges with the global pandemic, the City of Mountain View anticipated coming out of COVID-19 with a need for new alignment citywide on local economic conditions, through a new Economic Vitality Strategy. In 2022, the City embarked on data analytics and stakeholder and public engagement to better understand local interests from a broad range of perspectives.

Work to date has included multiple channels that have led to a draft Economic Vitality Strategy (EVS). Initial work consisted of understanding leadership perspectives on priorities, which in turn informed extensive analysis of the most current economic indicators available. As strategic themes emerged, outreach and interviews with business and community leaders broadened the input to facilitate the development of draft goals and strategies.

Through these analyses and engagement, the project team identified several themes and key findings. The subsequent pages provide a summary-level overview of these themes and findings.

Local and Regional Growth

- Until recently, Mountain View grew in population at a rate consistent with the region. **During the pandemic, however, the region lost residents while Mountain View grew in population.**
- Mountain View in 2022 has 83,900 residents. If growth remains consistent with the current rate, **Mountain View is on track to grow by 11,000, or around 550 residents per year, by 2040.**
- Beginning in 2010, Mountain View began **adding jobs at eight times the rate of population and housing unit growth, through 2021.**
- In 2020, the pandemic immediately changed the region's commute and employment patterns. Mountain View's largest employers led work-from-home trends, and their employees in 2023 have not returned to pre-pandemic patterns of working primarily in the office.
- **Recent layoffs across the region's largest employers**, including Google, have further challenged an understanding of growth trends for the city's highest-employing industry.



Community Concerns

The following content was synthesized from a series of focus group meetings conducted for this planning process. Throughout the process, issues that ranked high for residents and community development were found to rank equally high amongst private or local employers for their own economic interests. Housing that is affordable to its workforce and their incomes is broadly cited as the greatest concern for local employers.

- **Chief among residents' concerns in 2023 is housing**, including the very high cost of renting or buying homes in Mountain View, as well as the scarcity of housing available in the city and the region.
- **Opportunities to shop and dine in Mountain View's neighborhood centers rank high for city concerns**, and a thriving Downtown Mountain View is viewed as critical for economic vitality for both stakeholders and City leadership.
- **Concerns about Mountain View's development process and code, including how to create flexible opportunities for new technology and uses (eg, life sciences), were prominent.** Opportunities, such as engaging new customers, and challenges, such as investments required in downtown's character, were also cited.
- **Additionally, retail vacancy and depreciation** – especially downtown; and vitality diversity of local entrepreneurship and small business (versus chain businesses) were also cited as concerns in Mountain View.



Employment and Industry

- **Nearly 90,000 people worked at jobs located in Mountain View prior to the pandemic.**
- **Most workers commute into Mountain View from South Bay communities, but as a whole they come from all over the region** – as far as San Francisco and the East Bay. Only 9% of all jobs based in Mountain View are held by Mountain View residents.
- **The largest industry by employment in Mountain View by far is the Information sector.** Google is well known to be the largest employer, and the sector includes other globally known companies, such as Microsoft, LinkedIn, and many others.
- **The Information sector represents nearly half of the city's jobs (46%),** followed by the closely related Professional & Scientific Services industry (20%), with companies such as Synopsis Inc. and Equinix Inc.



Land Use and Development

- The distribution of residential and employment-generating land uses across the city creates connectivity challenges, with major employment centers cut off from residential areas by rail and highway infrastructure.
- Being perceived as a welcoming, reliable, and consistent city to work with is a competitive advantage in the region, and stakeholders believe Mountain View is missing an opportunity to set itself apart from its neighbors in this area.
- Stakeholders expressed dissatisfaction with the length, unpredictability, and costliness of undertaking development, leasing, or space modification in Mountain View. They report that the internal processes, handoffs, and timeliness of decision-making by the City often make it challenging and costly for development.
- Stakeholders claim that many cities' zoning codes have not kept up with modern business and industry demands.
- Parking requirements, in-lieu fees, and other costs related to permitting and entitlements also appear to be barriers for prospective or growing small-business owners.¹



Housing

- **More than 60% of Mountain View households are high income** (incomes greater than \$199,000 or 120% of the Area Median Income, or AMI, which is \$168,500 for the San Jose – Sunnyvale – Santa Clara metro area, as defined by the Department of Housing and Urban Development (HUD)).
- **Overall, 66% of all Mountain View households are not cost burdened**, which is slightly higher than in Santa Clara County (65%) and higher than California overall (59%), but lower than the US (69%).
- **Mountain View has more renters than owners** (60% of Mountain View households are renter occupied, compared to 43% of the Bay Area and California).
- **Housing production since 2015 in Mountain View fell short of the City's most recent housing goals** and state-mandated affordable housing allocations. The number of permits issued for housing units affordable to high-income households were three times higher than the number allocated by the state. The number of permits issued for affordable housing units accounted for only 24% of the City's allocated affordable housing targets.



Retail

- Retail citywide is of great concern for Mountain View civic and community leaders. Many perceive other cities in the region to be outperforming Mountain View, particularly in attracting and supporting experiential and higher end retail.
- Retail data analysis suggests that in aggregate, across all retail segments, Mountain View retailers generally produce the total sales volume expected for a city its size and location in the South Bay.
- Mountain View's per capita retail spending within the food services and drinking places sectors exceeds the regional trade area, while spending within the clothing and clothing accessories industry is well below the regional average.
- When the analysis considers the daytime population in Mountain View (factoring in workers coming in from elsewhere), the findings present unrealized upside opportunities. For instance, per capita sales in Mountain View fall short of the regional trade area by \$1,600 per person if full daytime population is considered. There may be opportunities to draw increased customer traffic from away from corporate campuses into Downtown and / or neighborhood commercial nodes.
- Stakeholders perceive opposition from the City of Mountain View to locating food and beverage uses in retail areas, or that the city is holding out for other retail types / uses that may not have market support. While there is broad interest in the type of high-end shopping experience that is offered at Santana Row in San Jose, real estate professionals that participated in this project believe that these comparisons are not realistic.

Downtown

- Downtown is a clear asset for Mountain View. Anchored by civic uses in the southern areas and mass transit connections to the north, Downtown has “good bones”, which make it easy to envision a thriving Downtown Mountain View.
- Challenges beset Downtown, nonetheless, and are the focal point of many conversations and frustrations. **Downtown Mountain View vacancy rates are nearly double Mountain View’s citywide average**, which ranks high among the concerns of local leaders and stakeholders.
- **Parking is a problem for visitors and business owners**, and planned solutions for that problem have created discord amongst business leaders, building owners, prospective developers, and City leadership. The costs associated with parking (specifically in-lieu fees) were noted by stakeholders as a significant issue for businesses considering a downtown location. The State of California has since enacted legislation rescinding parking requirements for new developments.
- Other factors challenging a thriving Downtown include the absence of daytime population from large employers, compared to pre-pandemic customer traffic.

1. Interviews were conducted prior to the implementation of Assembly Bill 2097, which rescinded requirements for parking minimums or in-lieu fees for new development.



EVS Vision & Goals

In light of these themes and findings, this draft Economic Vitality Strategy presents a working draft set of goals, strategies, and actions to align Mountain View leadership, residents, and businesses toward a common economic vision for the city, as follows:

Mountain View is a vibrant community and home to world-changing and locally rooted companies in the heart of Silicon Valley. Residents and visitors flourish in our neighborhoods, where they enjoy convenient shopping and dining at businesses by and for diverse communities. Our business and industrial centers attract skilled and talented workers from across the region who join iconic brands and start new ventures. The regional workforce and families choose to live in Mountain View for its sustainable and walkable neighborhood amenities, goods, and services, with Downtown Mountain View the centerpiece among them. Quality of life is foundational to Mountain View residents, even as our economy works in global markets to make the world a better place.

Mountain View’s Economic Vitality vision requires a commitment to address and eliminate causes of social and economic inequity for any resident or worker in Mountain View. Opportunity and advancement for all requires broad civic and community participation, livable neighborhoods without barriers to economic opportunity, and a robust economy that ensures wealth creation opportunities for all residents and workers. Social and economic equity must be embodied in specific actions throughout our community, including economic development actions outlined in this Strategy.

This Economic Vitality Strategy advances four draft goals that align with the vision and advance Mountain View's equity interests, as follows:



Goal 1. Establish Downtown Mountain View as a vibrant center of commerce and community gathering.



Goal 2. Grow Mountain View's proven, advanced industries through support for established employers, business attraction, innovation, and entrepreneurship.



Goal 3. Help small, local, and independently owned businesses flourish in Mountain View.



Goal 4. Modernize Mountain View's development policies to provide clarity and certainty for new uses that align with the EVS vision and goals.

Each of these goals are accompanied by strategies and potential actions in this Vitality Strategy.





INTRODUCTION

In 2021, as the world worked through nearly two years of challenges with the global pandemic, the City of Mountain View anticipated coming out of COVID-19 with a need for new alignment citywide on local economic conditions, through a new Economic Vitality Strategy. In 2022, the City contracted with Community Attributes, Inc. (CAI) to embark on data analytics and stakeholder and public engagement to better understand local interests from a broad range of perspectives.

Work to date has included multiple channels that have led to a draft Economic Vitality Strategy (EVS). Initial work consisted of understanding leadership perspectives on priorities, which in turn informed extensive analysis of the most current economic indicators available. As strategic themes emerged, outreach and interviews with business and community leaders broadened the input to facilitate the development of draft goals and strategies. In 2023, a complete working draft EVS coalesced, suitable for public review and comment.

Many issues raised as high concerns for the EVS have devoted efforts underway with the City. Chief amongst these is the Housing Element recently approved for the city. That important document provides in-depth research and recommendations on housing needs. This EVS references that work whenever possible to show alignment, while also emphasizing the importance of housing for the EVS. Other plans calling for similar alignment include Precise Plans for neighborhoods throughout the city, a recent assessment of Downtown by the Urban Land Institute, and a comprehensive 10-year Downtown Parking Strategy adopted in 2021.

This draft Economic Vitality Strategy presents the findings from research designed to serve economic vitality citywide, along with a working draft set of goals, strategies, and actions to align Mountain View leadership, residents, and businesses toward a common economic vision for the city.

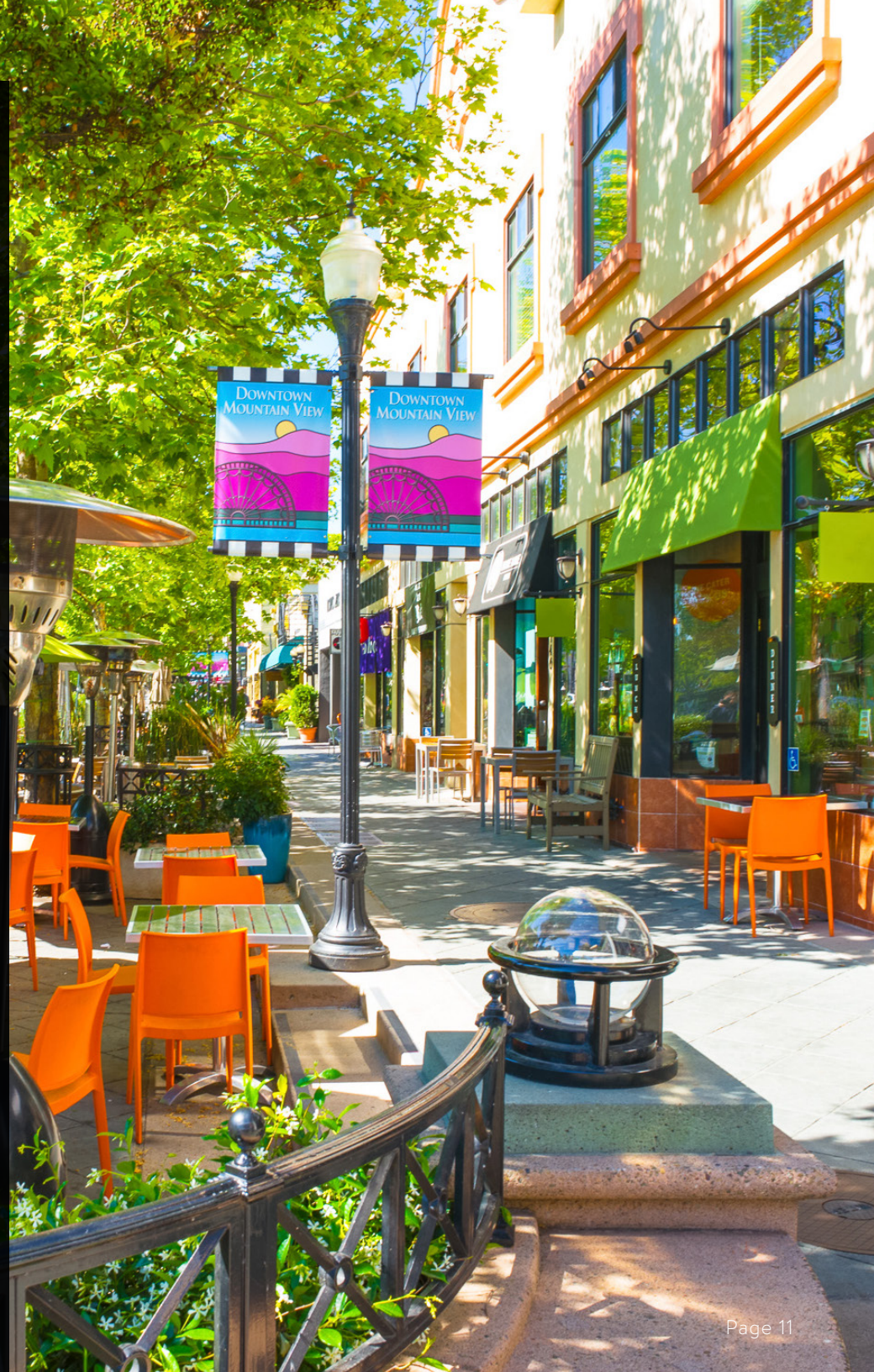
VISION

Mountain View is a vibrant community and home to world-changing and locally rooted companies in the heart of Silicon Valley. Residents and visitors flourish in our diverse neighborhoods, where they live and enjoy convenient shopping and dining. Our business and industrial centers attract skilled and talented workers from across the region who join iconic brands and start new ventures. The regional workforce and families choose to live in Mountain View for all its neighborhood amenities, with Downtown Mountain View the centerpiece among them. Quality of life is foundational to Mountain View residents, even as our economy works in global markets to make the world a better place.

EQUITY INHERENT TO ECONOMIC VITALITY

Mountain View’s Economic Vitality vision requires a commitment to address and eliminate causes of social and economic inequity for any resident or worker in Mountain View. Opportunity and advancement for all requires broad civic and community participation, livable neighborhoods without barriers to economic opportunity, and a robust economy that ensures wealth creation opportunities for all residents and workers. Social and economic equity must be embodied in specific actions throughout our community, including economic development actions outlined in this Strategy.

Many actions that contribute to equity improvements in the community and local economy are marked with an Icon (right). Together, this work presents an explicit commitment for the Economic Vitality Strategy to move the City of Mountain View toward greater social and economic equity.





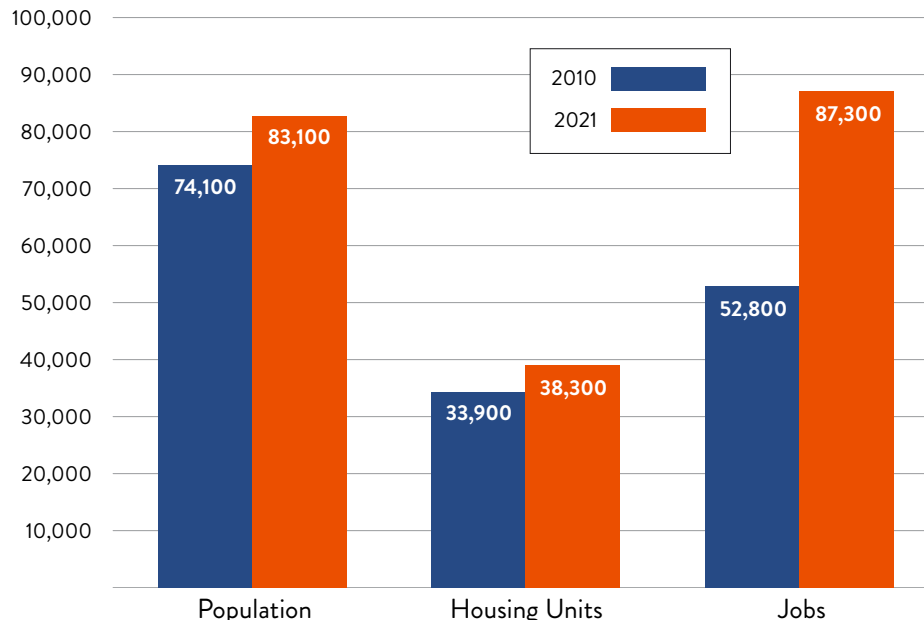
MOUNTAIN VIEW IN 2023

LOCAL AND REGIONAL GROWTH

Mountain View, California, is at the heart of Silicon Valley – a dynamic region of global significance, including historic, current, and future economic concerns. As such, Mountain View’s growth and economic vitality is closely linked to what happens elsewhere in Silicon Valley and the global economy. As a city and a community, however, Mountain View’s state and local markets and policies have equal significance to its economic vitality.

Until recently, Mountain View grew in population at a rate consistent with the region, 1.0% annually since 2010. During the pandemic, however, the region lost residents while Mountain View grew in population, bucking the regional trend and indicating other underlying factors may be rendering the city more attractive to residents. Mountain View in 2022 has 83,900 residents. At its current growth rate, Mountain View is projected to grow by 11,000, or around 550 residents per year, by 2040.

Exhibit 1. Mountain View Population, Housing Units and Jobs, 2010 & 2021



Changes in Mountain View growth trends in recent years have profoundly affected local economic conditions. In the 2000s, long after Silicon Valley had established regional employment centers and urban patterns, Mountain View saw many years of relatively slow population growth, paired with modest fluctuations in employment. More recently, however, job growth dramatically outpaced population and housing growth in Mountain View. This comparatively outsized job growth continued into the COVID-19 pandemic, which disrupted everything for employers, workers, local businesses, and residents.

Beginning in 2010, Mountain View began adding jobs at eight times the rate of population and housing unit growth, through 2021. From 2000 to 2010, Mountain View added 9,000 residents, and 34,500 jobs (Exhibit 1). Much of the job growth is tied to Mountain View’s largest employer, Google (Alphabet Inc.).

In 2020, the pandemic immediately changed the region’s commute and employment patterns (as happened everywhere). Mountain View’s largest employers led work-from-home trends, and their employees in 2023 have not returned to pre-pandemic patterns of working primarily in the office. As tech companies tout a “return to office” they are speaking more to instituting a hybrid work style, accommodating significant work from home. As such, these companies’ contribution to daytime population could still likely be less than half of what it was pre-pandemic. Moreover, recent layoffs across the region’s largest employers, including Google, have further challenged an understanding of growth trends for the city’s highest-employing industry.

It’s in this context that the City engaged business and community leaders across Mountain View to discuss priorities for strategic action to sustain and enhance economic vitality citywide. The rest of this section presents an integrated discussion of key findings from data analytics and key concerns expressed by stakeholders throughout the process, organized by topics of interest and fundamental concern to Mountain View’s Economic Vitality. Please see the Landscape Assessment in Appendix A for complete data analytics.

Source: California EDD (jobs), 2022; DOF (housing units, population), 2022; CAI, 2022.

COMMUNITY CONCERNS

Mountain View's approach to this Strategy takes a holistic view of economic vitality, which means in addition to industry and employment, economic vitality in Mountain View concerns residents' overall economic well-being and quality of life. Chief among those concerns in 2023 is housing, including the very high cost of renting or buying homes in Mountain View, as well as the scarcity of housing available in the city and the region. In addition to housing, opportunities to shop and dine in Mountain View's neighborhood centers rank as a top concern for the City's leaders and residents, and a thriving Downtown Mountain View is viewed as critical for economic vitality for both stakeholders and City leadership.

Concerns about Mountain View's development process and code, including how to create flexible opportunities for new technology and uses (eg, life sciences), were prominent. Opportunities, such as engaging new customers, and challenges, such as investments required in Downtown's character, were

also cited. Additionally, retail vacancy and depreciation – especially Downtown; and vitality diversity of local entrepreneurship and small business (versus chain businesses) were also cited as concerns in Mountain View.

The good news from a strategic perspective for economic development is that the issues that rank high for residents and community development rank equally high amongst local employers for their own economic interests. Housing that is affordable to its workforce and their incomes is broadly cited as the greatest concern for local employers. Downtown and neighborhood retail, dining, and services are next in importance, along with access to and from these areas and major employment centers. The result is a cohesive set of economic and community interests, shared by major employers, small businesses, and local residents alike. The subsequent sections present those interests, including key findings from data analytics and stakeholder perspectives.



Eric Fredericks/Flickr/CC By-SA 2.0



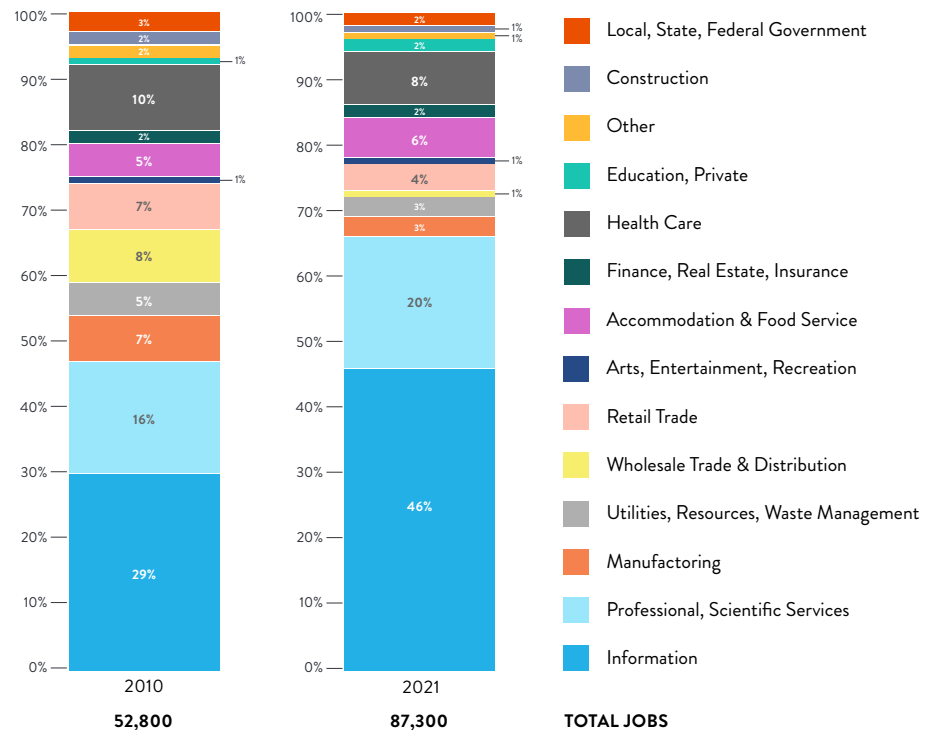
EMPLOYMENT & INDUSTRY

Nearly 90,000 people worked at jobs located in Mountain View prior to the pandemic. Most workers commute into Mountain View from South Bay communities, but as a whole they come from all over the region – as far as San Francisco and the East Bay. Only 9% of all jobs based in Mountain View are held by Mountain View residents.

The largest industry by employment in Mountain View by far is the Information sector (**Exhibit 2**). Google is well known to be the largest employer, and the sector includes other globally known companies, such as Microsoft, LinkedIn, and many others. The Information sector represents nearly half of the city’s jobs (46%), followed by the closely related Professional & Scientific Services industry (20%), with companies such as Synopsis Inc. and Equinix Inc. Together these sectors account for roughly two-thirds of all jobs in Mountain View. No other single sector represents more than 8% of the city’s remaining jobs.

The large share of jobs in Information and Professional Services can obscure the importance of the other sectors in Mountain View. Jobs in Construction, Retail, Arts, Accommodation & Food Service, and Education and Government are all critical to the city’s economic vitality, as well as quality of life for its residents. These sectors provide services, amenities, employment, and the breadth of needs required for a vibrant, balanced community.

Exhibit 2. Mountain View Jobs by Industry Percentages, 2010 & 2021



Source: California Employment Development Department, 2022; CAI, 2022.

The share of jobs in Information and Professional Services also reflects the recent growth in local jobs. The city added 34,500 jobs between 2010 and 2021, and in doing so the share of jobs in Information and Professional Services increased from 45% to 66% of all jobs in the city.

Strategic views on jobs in Mountain View generally fall into **two categories**, presented in the following sections.



1. Support and grow jobs within existing industry strengths and new sector opportunities.

Maintain strength in technology and professional services. Some business leaders express concerns that the City takes Google’s presence for granted, as well as other major employers. The City’s real estate leases to technology companies are of vital importance as they are a large source of general fund revenue. Workers in technology parks shop and support local businesses. The talent based in these industries are a rich source of entrepreneurial and spinoff activity, from which the City has benefitted greatly and can continue to support.

Foster growth of smaller but established subsectors. These spinoffs of local tech companies show clear growth potential, with many interrelated technologies. Autonomous vehicles and their many niches (long-haul freight, local transit, last-mile deliveries and more) each warrant support for growth. Stakeholders cite potential for life science applications that build on local technology, supported by lower cost research and development (R&D) space, as well as companies focused on artificial intelligence and cloud-based networking technologies.

Stakeholders also want more business diversity overall. As disparities grow between tech and non-tech workers, stakeholders want to see more non-tech jobs in Mountain View.



2. Restore sectors hit hard by the pandemic and nurture sectors that serve the community.

Pandemic impacts and local services. The pandemic had many impacts on how jobs were worked economy-wide, but it had a disproportionately greater direct impact on some industries than others. Jobs in Retail, Restaurants & Hospitality, Arts & Entertainment, Manufacturing, Warehousing and Distribution all declined and have not returned to pre-pandemic levels. As it turns out, many of those sectors, along with Education and Neighborhood Services, are sectors that local residents have the greatest concerns about for local employment needs as well as local services and quality of life concerns. These sectors require targeted strategies and bring important issues into the strategy, most notably housing, land use, and neighborhood development.

Local industry and services employment. In addition to the services they provide, some sectors face market challenges in Mountain View, but are important jobs for local residents. Manufacturing and Distribution, for example, while not high ranking in total job count, play an important role in connecting the economy. Light industrial lands where they reside face significant pressure from other land uses, as well as worker retention issues. Stakeholders identify the need for low-cost R&D space, more non-hospital health offices, general office space, and more industrial space in general, along with better access and infrastructure.

LAND USE & DEVELOPMENT

Zoning and Available Land

Citywide land use policies and regulations guide economic and community development patterns including location and intensity. In Mountain View, land use policy is closely intertwined with other concerns, most notably housing affordability, access to jobs, retail center health, and Downtown vibrancy.

Policies have a significant impact on costs that users pay to live and work, but policies alone do not determine costs to users. Many market factors influence development and resulting costs to occupy space, including land acquisition (with demolition and any environmental clean-up), cost of materials and labor, borrowing costs, expectations of returns on investments and soft costs, such as design and other entitlement costs. In other words, policy alone cannot fix everything, but it can help strategically organize and guide other interventions.

Regarding land capacity devoted for businesses and employers of all types, light industrial was mentioned as limited in supply compared to the demand for new development. Many building types for employment uses were cited as being in short supply, most notably life sciences and more modern light industrial buildings (**Exhibit 3**). In most cases, in Mountain View, redevelopment is more likely to accommodate these investments. Vacant land is scarce in Mountain View, as it is in most older cities. The city has ample amounts of relatively older, low-density light industrial spaces. These spaces appear suitable for redevelopment consideration, and they can also be good spaces for new and smaller companies, with cheaper rents and fewer amenities that might otherwise drive up rents.

Research and development space and other office spaces combined account for 16% of the city's land. These are primarily located in North Bayshore and east Whisman neighborhoods. Stakeholders note that many startups in innovative sectors like Artificial Intelligence (AI), robotics, and even health are interested in Mountain View and being close to downtown. Finding space with appropriate zoning is challenging for those potential users.

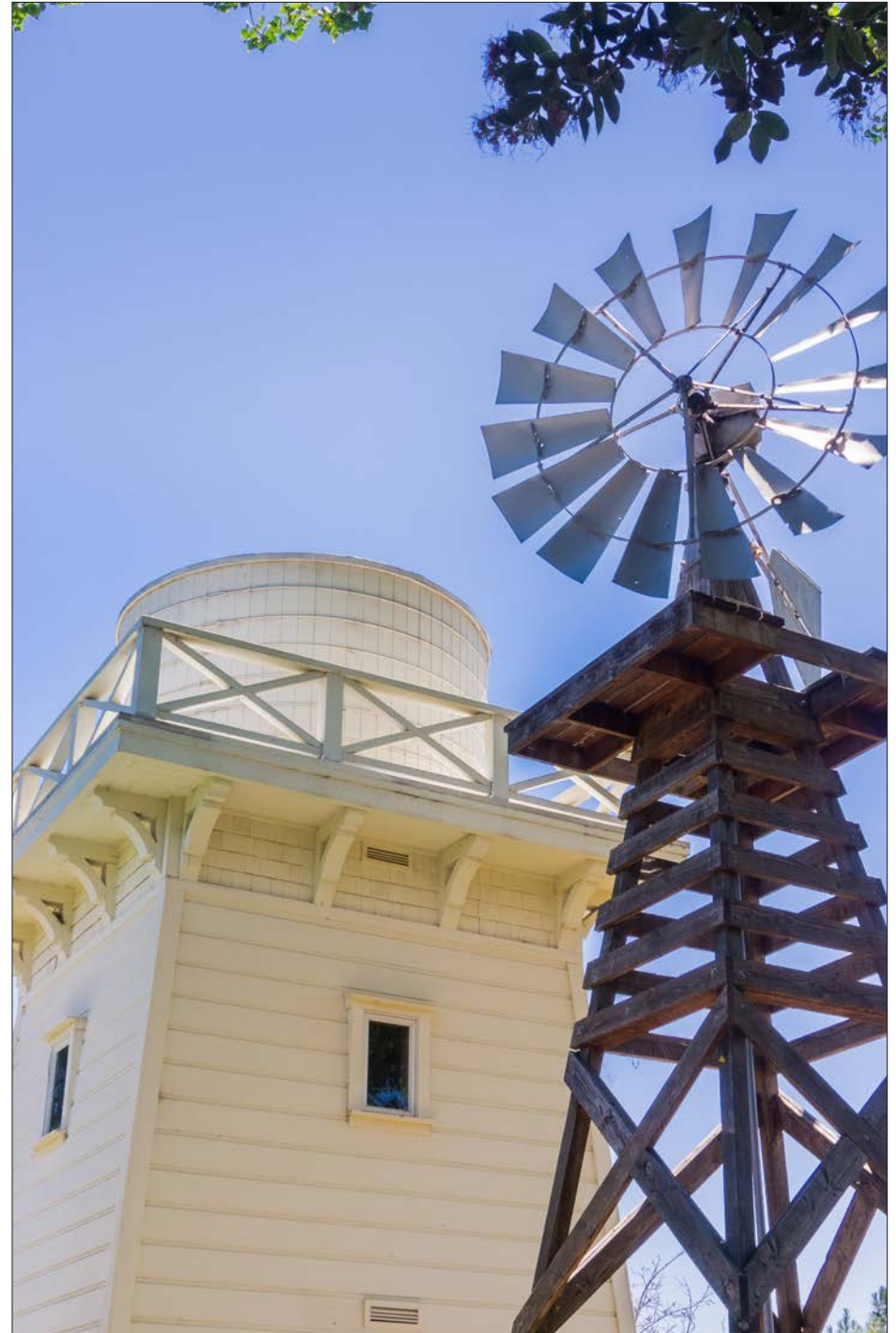
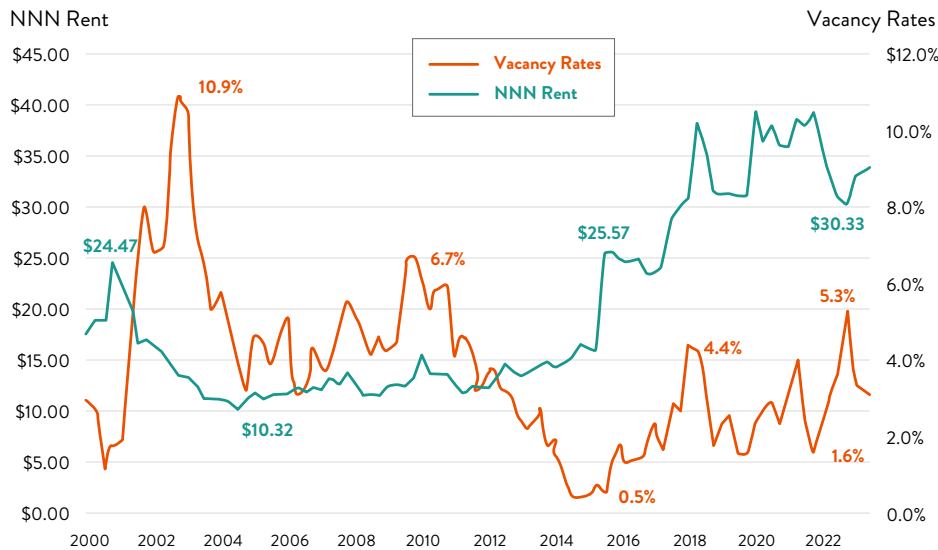




Exhibit 3. Industrial Rental Rates and Vacancy Rates, City of Mountain View, 2000 – 2023



Sources: CoStar, 2023; Community Attributes Inc., 2023.

Note: The property's tenant has a Triple Net Lease (NNN) and is responsible for all expenses related to their occupancy of the building.

Six percent of the City's land is occupied by retail uses. There is no set norm for retail land share for cities; subsequent sections present more specific retail analysis. Retail clusters primarily run along El Camino Real, Castro Street, and the southwest corner of North Bayshore.

Residential uses account for the largest share (42%) of land in Mountain View. The central and southern portions of the city are largely occupied by single family residential uses.

The distribution of residential and employment-generating land uses across the city creates connectivity challenges, with major employment centers cut off from residential areas by rail and highway infrastructure. The City is addressing connectivity issues between North Bayshore and Downtown with the Castro Grade Separation and Transit Center Access Improvements and Shoreline Boulevard Corridor Study efforts.

Development Process

Stakeholders have much to say about desired improvements for securing the right to build new developments and accommodate business growth. Being



perceived as a welcoming, reliable, and consistent city to work with is a competitive advantage in the region, and stakeholders believe Mountain View is missing an opportunity to set itself apart from its neighbors in this area.

Stakeholders are dissatisfied with the length, unpredictability, and costliness of undertaking development, leasing, or space modification in Mountain View. They report that the internal processes, handoffs, and timeliness of decision-making by the City often make it challenging and costly for development. Specific problems, according to stakeholder perceptions, include the number of departments involved and the challenges of coordinating between departments, staffing and staff turnover across City departments, and the City’s receptivity to growth and development.

Stakeholders claim that many cities’ zoning codes have not kept up with modern business and industry demands. For instance, when a business is interested in leasing space, some zoning districts do not allow many uses as permitted, requiring the business to obtain a use permit. Developers suggest that the use permitting process, which requires a public hearing, has become lengthy and costly and therefore untenable for most businesses apart from large tech companies.

Mountain View is not alone in this challenge. Most cities in the Bay Area are perceived to have use permit processes that move much more slowly than developers would prefer or can afford. Strategically, whichever city can improve this process in a tangible way would have a competitive advantage over its peers and neighbors to attract desired development. Currently, Sunnyvale, Santa Clara, and Fremont are all viewed as offering more transparency and flexibility in their development processes.

Finally, parking requirements, in-lieu fees, and other costs related to permitting and entitlements also appear to be barriers for prospective or growing small-business owners. These costs can significantly increase the up-front capital required for a startup and become prohibitive for small business establishment or growth in Mountain View. Since the time of this analysis, the state of California has enacted legislation that rescinds requirements for parking minimums for new developments.

HOUSING

The high cost of housing in Mountain View is typically the first concern cited by business and community leaders. This is not exclusively a Mountain View challenge, of course, but as for all cities, Mountain View’s housing challenges come with locally rooted stories and needs.

As presented in prior sections, from 2010 to 2021, the city added eight times more jobs than housing units, contributing significantly to regional and housing challenges. Mountain View’s residents have high household incomes. More than 60% of Mountain View households are high income (incomes greater than \$199,000 or 120% of the Area Median Income, or AMI, which is \$168,500 for the San Jose – Sunnyvale – Santa Clara HUD metro area) (as shown in Exhibit 4). Mountain View’s rental market differs from many other places, in that a greater share of renters are higher earners.

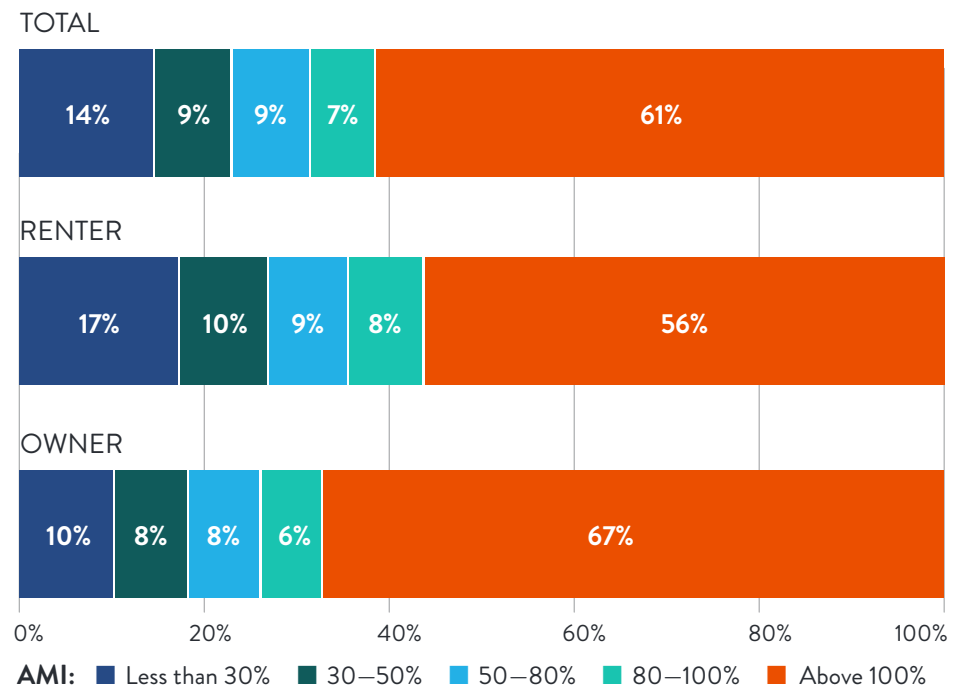
Overall, 66% of all Mountain View households are not cost burdened, which is slightly higher than in Santa Clara County (65%) and higher than California overall (59%), but lower than the US (69%). Renters in Mountain View are more likely to be cost burdened than homeowners in Mountain View, as is the case nationally. Mountain View has more renters than owners (60% of Mountain View households are renter occupied, compared to 43% of the Bay Area and California). The rental market in Mountain View is of particular concern for rising costs as a result.



In addition to a high-income housing market, housing production since 2015 in Mountain View fell short of the City’s most recent housing goals and state-mandated affordable housing allocations. The number of permits issued for housing units affordable to high-income households (those earning more than 120% AMI) were three times higher than the number allocated by the state. Permits were issued for only 24% of allocated units deemed by the state as affordable to very low- and low-income households below 80% AMI.

Mountain View is not alone in this challenge either. Many high cost inputs into housing development push developers to higher end prices; and many of these inputs are outside of the City’s control, such as the cost of labor, financing, and materials.

Exhibit 4. Income Level by Housing Tenure, Mountain View, 2015-2019



The City is now increasing the number of new housing units it plans to accommodate (11,135) and the number of those units that should be affordable to very low- and low-income households (4,370 units, approximately 40% of all new planned units).

Employers and residents would like the housing price crisis addressed forcefully. Current costs of housing challenge employers’ ability to attract talent amongst middle to lower wage occupations. Consumer service industries cannot house their workers. The City adopted an updated housing element. The analysis is current, rigorous, and complete with strategies and recommendations. The goals of the housing element align with economic vitality concerns of businesses and community leaders. With very little vacant land in the city, net new housing gains will require greater density. Higher housing densities will support stakeholders’ other goals of a more vibrant downtown and bring more demand for local retail.

RETAIL

Retail citywide is of great concern for Mountain View civic and community leaders. Many perceive other cities in the region to be outperforming Mountain View, particularly in attracting and supporting experiential retail and higher end retailers.

Retail as an experience has continuously evolved. Independent “mom and pop” stores and main streets have faced challenges and competition for decades now. Large format retailers and the continued expansion of online purchasing with home delivery have forced independent stores to compete on experience and a sense of place.

Mountain View’s central location in Silicon Valley compounds these challenges. Mountain View residents have many places in neighboring cities to choose from for shopping within a short drive from home.

Exhibit 5. Spending Per Capita and Potential Surplus or Leakage by Industry, Mountain View, 2021

Industry	Per Capita Spending		Leakage
	Mountain View	Regional Trade Area	
Daytime Population			
Motor Vehicle and Parts Dealers	\$1,100	\$2,240	(\$94,765,900)
Clothing and Clothing Accessories Stores	\$270	\$960	(\$57,385,300)
Building Material, Garden Equipment, and Supply Dealers	\$340	\$980	(\$53,201,900)
Gasoline Stations	\$710	\$930	(\$18,288,200)
Home Furnishings and Appliance Stores	\$630	\$850	(\$18,288,200)
Food and Beverage Stores	\$660	\$660	\$0
General Merchandise Stores	\$1,660	\$1,240	\$34,913,800
Food Services and Drinking Places	\$3,410	\$2,210	\$99,753,600

Sources: ESRI Business Analyst, 2022; California Department of Finance, 2022; California Department of Tax and Fee Administration, 2022; Community Attributes Inc., 2022.

Retail data analysis suggests that in aggregate, across all retail segments, Mountain View retailers generally produce the total sales volume expected for a city its size and location in the South Bay. Total taxable retail sales per capita for consumer retail in Mountain View generally match regional trends. However, the aggregate view masks specific niches that outperform and present opportunities.

In fact, Mountain View’s per capita retail spending within the food services and drinking places sectors far exceeds the regional trade area, while spending within the clothing and clothing accessories industry is well below the regional average.

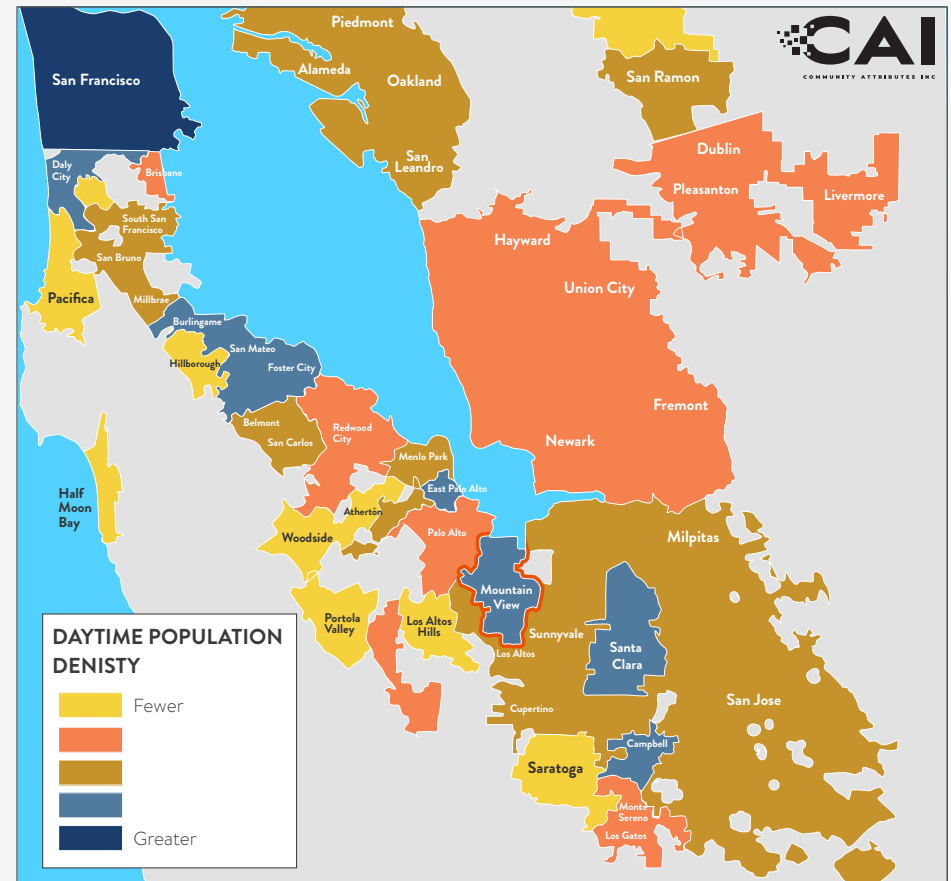
Moreover, when the analysis considers the daytime population in Mountain View (factoring in workers coming in from elsewhere), the findings present unrealized upside opportunities **(Exhibit 5)**.

Mountain View’s per capita retail spending is higher than the regional trade area per capita spending for the resident population. Per capita sales in Mountain View fall short of the regional trade area by \$1,600 per person if full daytime population is considered. Potential retail spending by the daytime population suggests Mountain View may be able to support much more retail space, presumably depending on some portion of Mountain View workers returning to the office and retailers attracting spending from those trips.

Retail space across the regional trade area is concentrated in Mountain View, San Jose, Santa Clara, Milpitas, Sunnyvale, Palo Alto, Redwood City, Cupertino, and Menlo Park. Together these nine cities contain more than 80% of retail space across the regional trade area.

Neighborhood-serving retail is an essential part of Mountain View’s economic vitality. Not only is retaining and attracting local retail and restaurant establishments valued highly by community members as a desired asset, but it is also a significant part of a larger strategy to revitalize and realize visions for community development. Stakeholders suggest enabling food and retail throughout the city, which can contribute to the city’s overall walkability, particularly if it is aligned with efforts to increase circulation between village

Exhibit 6. Daytime Population Density, Mountain View & Surrounding Cities, 2021



Sources: ESRI Business Analyst, 2022; California Department of Finance, 2022; California Department of Tax and Fee Administration, 2022; CAI, 2022.

centers and other parts of the city and creating satellite locations for community services (such as libraries or childcare).

Stakeholders perceive opposition from the City of Mountain View to locating food and beverage uses in retail areas, or that the City is holding out for other retail types / uses that may not have market support. While there is broad interest in the type of high-end shopping experience that is offered at Santana

Row in San Jose, real estate professionals that participated in this project believe that these comparisons are not realistic. Some stakeholders call for creativity from the City in filling vacant spaces rather than holding to zoning and parking requirements and other development standards that prohibit businesses from signing leases. In other cases, management of commercial centers may have non-compete options in leases that might keep out tenants that otherwise would expand offerings to shoppers.

To realize hopes for desired retail, the City may be required to adapt adopted development regulations and adjust policies and procedures surrounding land use and development. Stakeholders indicate that the City's ability to update its policies, regulations, and procedural processes will determine its future industry opportunities. They urge the City to look at and stress test its zoning and building codes, particularly for office uses, at-home/hybrid work, housing, retail, and industry.





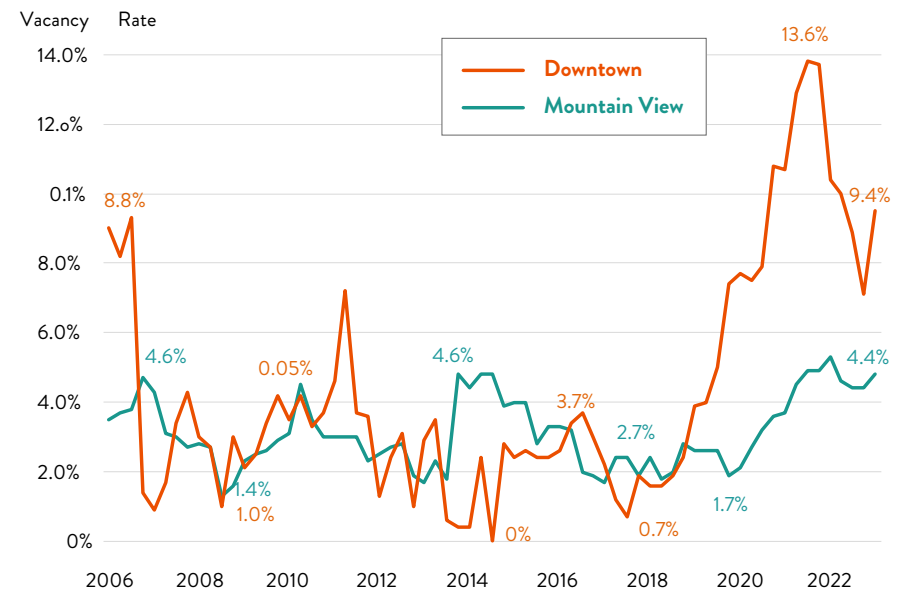
DOWNTOWN MOUNTAIN VIEW

Downtown is a clear asset for Mountain View. Anchored by civic uses in the southern areas and mass transit connections to the north, Downtown has “good bones”, which make it easy to envision a thriving Downtown Mountain View. During the pandemic, the City supported Downtown restaurants and businesses, closing Castro Street to vehicles, and allowing long-term use of the street for outdoor dining and gathering areas. Businesses and residents embraced this new experience, which has since been made permanent with the adoption of the Castro Pedestrian Mall and supported by City investments.

Challenges beset Downtown, nonetheless, and are the focal point of many conversations and frustrations. Downtown Mountain View vacancy rates are nearly double Mountain View’s citywide average, which ranks high among the concerns of local leaders and stakeholders. The vacancies degrade the experience of shopping and dining Downtown.

Parking is a problem for visitors and business owners, and planned solutions for that problem have created discord amongst business leaders, building owners,

Exhibit 7. Retail Vacancy Rate, Mountain View and Downtown, 2006 - 2023



Source: CoStar, 2022; CAI, 2022.

prospective developers, and City leadership. The costs associated with parking (specifically in-lieu fees) were noted by stakeholders as a significant issue for businesses considering a downtown location. The requirement for mandatory parking requirements for new developments has since been rescinded by the State of California.

Other factors challenging a thriving Downtown include the absence of daytime population from large employers, compared to pre-pandemic customer traffic. When Google and tech companies speak to a “return to office” they may actually be speaking to a perpetual hybrid work style, accommodating work from home two to three days per week. This means that for the foreseeable future, these companies’ contribution to daytime population could be only half of what it was pre-pandemic. While Mountain View retailers cannot count on tech companies’ return to the office restoring pre-pandemic levels of daytime and evening customers, there is still significant additional foot traffic potential in the workers that do return.

Another challenge is the size, configuration, and condition of retail spaces in Downtown. Stakeholders noted the large size of many retail spaces in Mountain View, upwards of 3,000 feet or more. Most retail businesses want 1,000 to 1,500 feet. Large retailers that usually fill larger spaces have not shown much interest in them. Necessary modifications to these spaces are often cost prohibitive to small and/or new businesses and property owners. These modifications may also be complicated by historic district designations, and stakeholders report that these historic buildings often sit vacant the longest.

Many stakeholders and City leaders are pursuing creative ideas to fill empty spaces. Stakeholders would like to see more food and beverage uses (not just in downtown, but also in shopping centers like the San Antonio Center). They also urge the City to consider a broader mix of uses in Downtown, including more offices, especially on upper floors. Downtown would also benefit from improved wayfinding and access, in particular from the freeway.



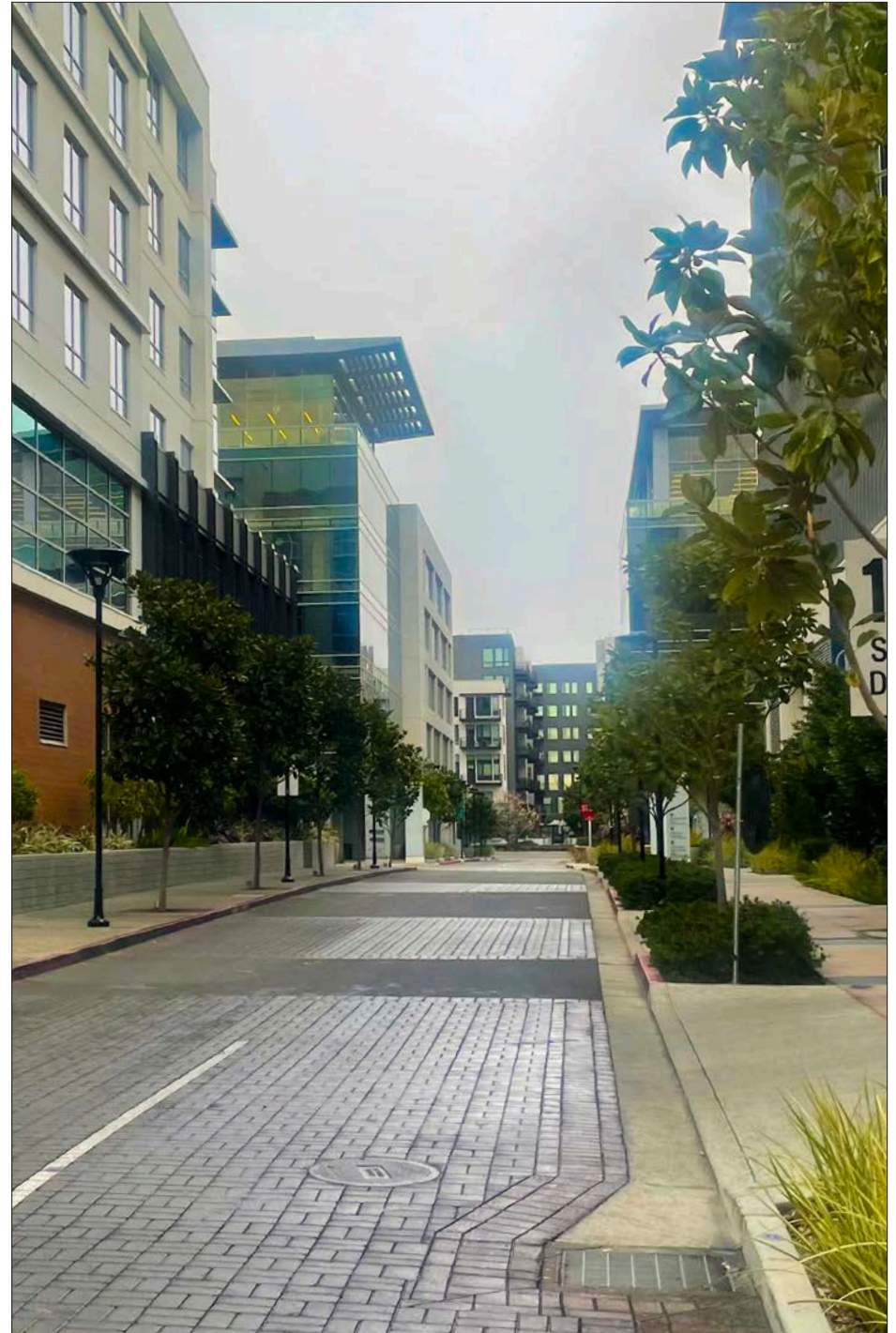
OPPORTUNITIES AND CHALLENGES

The preceding sections present an overview of Mountain View's context and many strengths and challenges. But with challenges come opportunities – which provide the foundations for the goals and strategies in this document.

Mountain View has an opportunity to prioritize community development and quality of life in its economic vitality planning. Some question Mountain View's continued attractiveness as a good place to live, work, and visit. The high cost of housing ranks very high in the list of concerns, and with that comes a perception that the City is struggling to keep pace with growth in terms of quality of life, services, housing options, infrastructure, and more. Stakeholders suggest that community identity and community development need to be a central part of economic strategies. Community and economic development are mutually reinforcing; economic development (more and better jobs, wages, private investment) feels like a secondary priority to housing to some when it should be foundational to addressing housing inequality and homelessness.

Continuing to support major technology companies remains an essential part of advancing Mountain View's economic vitality. Google, Microsoft, LinkedIn and other companies are cornerstones of Mountain View's employment base. Their employees and their visitors (business travelers) patronize local businesses; some of their workers live in the community and are a vibrant talent base. Despite recent layoffs across tech sectors, stakeholders believe that strategies should increase access to tech jobs as well as diversify the portfolio of available occupations for residents of all education levels.

Stakeholders also see room for more diversity within tech. As the tech industry enters the era of second- and third-generation companies, some worry that the tech anchors in Mountain View are no longer a draw for young and emerging talent and startups. Stakeholders suggest that more flexible zoning and financial and technical support from the City are two potential solutions to barriers in bringing entrepreneurs back to Mountain View.



Vacancies downtown and in other commercial areas could be addressed through recruiting other business types. Stakeholders view the pandemic as an opportunity to push the City to consider what the future of work looks like – and to adjust its land use regulations and local economy strategies accordingly.

There are several non-retail uses that real estate professionals brought up as being in high demand in Silicon Valley but which Mountain View is not currently able to accommodate. They include low-cost R&D, non-hospital health offices, general office space, artificial intelligence (AI) development, industrial space, life sciences, wet labs, medical devices, and biotech. Mountain View may be a high-opportunity market for health care, in particular, because of the well-educated, typically more health-conscious, daytime worker population. However, hybrid work models have a trickle-down effect on many health institutions and related businesses; many of these uses prefer to locate in areas where people work, and providers note they will be paying close attention to where office workers end up and where residents choose to access care. Parking and transportation are also important considerations that health companies will evaluate when locating their businesses.

Downtown remains a major opportunity for Mountain View, and participants in this project believe that Downtown Mountain View has the potential to be one of the best in the region. Stakeholders generally support the closing of Castro Street and believe additional programming, wayfinding, and placemaking efforts would be effective avenues for City investment and action.

Fortunately, big employers want the same thing for Mountain View as community-minded leaders do. Affordable housing, connected neighborhoods, a diversity of transportation options, better access to businesses and recreation assets north of Highway 101 – all of these concerns rank high for employers, as well as for small businesses and neighborhood or resident stakeholders. For the small businesses, the City needs a coordinated strategy to support the businesses and industries that may be overshadowed by tech giants. The pandemic illuminated disparities that have been building for decades across the country, including in Mountain View. Stakeholders unanimously agree



that the City needs to have a strategy in place to support those left behind in the tech boom – small businesses, brick and mortar retailers, and historically underrepresented groups.

Stakeholders want an actionable strategy with a clear path to implementation and accountability. Interviewees are largely aware of plans and studies within economic development and want to see an Economic Vitality Strategy that builds upon those efforts and has more teeth. Mountain View has many community and economic assets and institutions. These partners need to be leveraged and engaged in this plan.

The following section lays out four (4) primary goal areas around which the City of Mountain View is staking its economic future, and 20 sets of strategies and actions that have been crafted to achieve them. These are where the rubber hits the road for economic prosperity and vitality in Mountain View going forward. They're based on all we've learned and heard from residents, workers, owners, and experts across the city and region. They are the pillars upon which Mountain View will build its vision for economic vitality into the next decade.



GOALS, STRATEGIES AND ACTIONS

GOALS AT A GLANCE



GOAL 1:

ESTABLISH DOWNTOWN MOUNTAIN VIEW AS A VIBRANT CENTER OF COMMERCE AND COMMUNITY GATHERING.



GOAL 2:

GROW MOUNTAIN VIEW'S PROVEN, ADVANCED INDUSTRIES THROUGH SUPPORT FOR ESTABLISHED EMPLOYERS, BUSINESS ATTRACTION, INNOVATION, AND ENTREPRENEURSHIP.



GOAL 3:

HELP SMALL, LOCAL, AND INDEPENDENTLY-OWNED BUSINESSES FLOURISH IN MOUNTAIN VIEW.



GOAL 4:

MODERNIZE MOUNTAIN VIEW'S DEVELOPMENT POLICIES TO PROVIDE CLARITY AND CERTAINTY FOR NEW USES THAT ALIGN WITH THE EVS VISION AND GOALS.



GOAL 1: ESTABLISH DOWNTOWN MOUNTAIN VIEW AS A VIBRANT CENTER OF COMMERCE AND COMMUNITY GATHERING.

STRATEGY 1.1 Differentiate Downtown's character, mix of uses, and visual appeal to shoppers, visitors, and quality retailers.

People want to come to Downtown Mountain View for shopping, dining and experiences not found in other centers or Downtowns. Investments in that experience are required to keep Downtown competitive with other shopping options and establish a distinctive character. This strategy offers opportunities to enhance the Downtown experience, and actions include:

- Prioritize public realm improvements in Downtown Mountain View, including street furniture, lighting, landscaping, tree canopy, and signage and consider an Enhanced Infrastructure Financing District, or EIFD, to finance them.
- Engage Downtown business owners to evaluate the feasibility of the creation of a new business improvement district (BID) to maintain cleanliness and safety, as well as advertising, promotion, special events, or other activities that promote the downtown, including those related to the organization, planning, operation, or expansion of Downtown's pedestrian mall / corridor along Castro street.
- Reduce and simplify regulations around business signage and create standards for window coverings for construction and vacancy.
- Study and facilitate the creation of a rotating façade improvement loan fund. (See Boulder's Pearl Street Pedestrian Mall, following page)
- Encourage utilization of vacant space with temporary storefront uses, pop-up installations, food carts, and performing arts.
- Consider adding a live entertainment ordinance that support busking and other outdoor live entertainment, complying with some established decibel levels.
- Enable street-serving retail service transactions such as exterior window ordering and pick up outside the building.
- Communicate and promote the identity and brand of Downtown - and what's new - to the region at large.

What We Heard

"Mountain View is the best location on the peninsula, no questions asked. It can draw from San Francisco and San Jose. Because of Google, and entrepreneurs wanting to be close to talent, MV will always be high on the list of where they want to start their companies. Having a hotel downtown would be big. We need to adapt quicker to what people are asking for."



GOAL 1: ESTABLISH DOWNTOWN MOUNTAIN VIEW AS A VIBRANT CENTER OF COMMERCE AND COMMUNITY GATHERING.



Boulder Pearl Street Pedestrian Mall

The Pearl Street Mall in Boulder, Colorado is a pedestrian mall in the heart of downtown Boulder. Overseen by the Downtown Boulder Partnership, it includes more than 1,000 businesses that center on an eleven-block stretch of Pearl Street and radiates to perpendicular and parallel corridors. These business include a number of dining, shopping, and entertainment options, and the Partnership organizes community events like live music and holiday celebrations. Pearl Street and its restaurants have been hailed by food

critics and publications as a fine dining destination known for quality, local ingredients, and innovating chefs.

The Partnership also serves as the administrator of the area's Business Improvement District (BID), which encompasses 49 blocks. The district puts tax revenue toward public safety, streetscaping, and programming.



GOAL 1: ESTABLISH DOWNTOWN MOUNTAIN VIEW AS A VIBRANT CENTER OF COMMERCE AND COMMUNITY GATHERING.

STRATEGY 1.2 Accelerate transition of Downtown toward increased walkability and convenient, multimodal access to daily goods and services.

Residents and visitors are more likely to patronize Downtown businesses if Downtown is accessible across a variety of transportation options. Whether people come by foot, bike, train or car, ease of access is critical. Mountain View has an opportunity – and planning underway – to focus on transportation infrastructure, signage and wayfinding, and other improvements that connect residents and workers with Downtown businesses. A key task for the City will be to coordinate and communicate various departments’ mutually supportive efforts around transportation and connectivity improvements. Actions include:

- Implement Downtown Parking Strategy’s dynamic (demand-based) pricing in Downtown public parking spots during peak hours.
- Deploy web based/online parking permit technologies.
- Re-assess and evaluate City insurance requirements for basic contracting, arts installations, patio areas to support and encourage small business utilization.
-  Reinvest paid parking revenue in enhanced bike and pedestrian access networks and facilities, including additional bike rack locations and bikeway improvements (such as on Hope, Bryant Streets)
-  Make the Community Shuttle more attractive with greater frequency, range, and visibility.
- Implement dynamic parking wayfinding system to re-direct vehicles to open spaces in other lots at peak times.
- Evaluate the feasibility and desirability of reducing or eliminating parking requirements for some new Downtown development.
- Complete the planned pedestrian mall and improve the pedestrian experience and connectivity.
- Consider mapping safe walking and biking routes from different parts of the city to Downtown, including from Heritage Park, San Antonio Plaza, Cuesta Park, and others.
-  Support businesses that provide sustainable and walkable goods and services (such as providing neighborhood-serving uses that promote pedestrian activity and are close to residential uses).

Santa Monica City-Owned Parking Garages

The city of Santa Monica owns and operates 11 parking garages, 5 surface parking lots in the city, and 6 beach zone surface lots. Together, these options offer reasonable pricing for parking all over Santa Monica, securing reasonable access to the beach, the pier, the library, the civic center, downtown, main street, and mid-city for those coming via car. By consolidating parking into specific, targeted areas, Santa Monica reduces the need for on-street parking, creates a more walkable environment, and leaves more space for pedestrian-oriented development.



GOAL 1: ESTABLISH DOWNTOWN MOUNTAIN VIEW AS A VIBRANT CENTER OF COMMERCE AND COMMUNITY GATHERING.

STRATEGY 1.3 Confront vacancy in Downtown and encourage flexible, measured, and diverse growth.

Persistent, long-term vacancies are a challenge for Downtown Mountain View. These vacancies disrupt the quality of the pedestrian environment and prevent Downtown from reaching its full potential. A consistent approach to reducing prolonged vacancies would help keep Downtown safe, accessible, and fun for all, while broadening the range of goods and services available to residents and visitors. Actions include:

- Explore the viability of a vacant property ordinance or vacancy registry, tax, or other means to aggressively pursue absentee landlords with long-term vacancies in ground-floor, street facing properties Downtown. (Read more on San Francisco’s Commercial Vacancy Tax Ordinance on following page.)
- Explore local funding vehicles to provide matching grants to property owners for storefront buildout with signed tenants.
- Create incentives (reduced tax, fee structure, permitting, or others) for building owners to fill vacancies in street facing storefronts or create temporary activations.
- Consider adopting requirements to activate windows for any vacant uses in Downtown Mountain View; set standards for the type of activation and appearance.
- Identify mechanisms to better support creatives, including artists and performers, by assisting or connecting them with affordable live-work studio spaces.
- Consider increasing allowable densities and mixture of uses and ensuring that development regulations allow and encourage residential and commercial office uses.
- Consider including specific absorption targets for commercial and residential growth in updates to the Downtown Precise Plan and Moffett Blvd Precise Plan.



Match vacant storefronts downtown with growing local home-based or shared-space businesses to transition them to brick-and-mortar workplaces.





GOAL 1: ESTABLISH DOWNTOWN MOUNTAIN VIEW AS A VIBRANT CENTER OF COMMERCE AND COMMUNITY GATHERING.



San Francisco's Commercial Vacancy Tax Ordinance

San Francisco's Commercial Vacancy Tax Ordinance went into effect in January 2022 following wide support by voters and an implementation delay due to the COVID-19 pandemic. The purpose of the ordinance is to revitalize commercial corridors, alleviate long-term retail vacancies, and stabilize commercial rents. It applies to ground floor and street-facing commercial properties within San Francisco's Named Neighborhood Commercial Districts (NCDs) or Named Neighborhood Commercial Transit Districts (NCTs), which include some of the City's primary commercial corridors including Broadway, Haight, Polk, Inner Clement, Mission, Fillmore, Valencia, and Divisadero. It does not include downtown.

A property is considered vacant if it is unoccupied, uninhabited, or unused for more than 182 non-consecutive days in a tax year. There are limited exceptions for properties undergoing permitting or were recently damaged. The tax rate depends on the length of the street frontage and the number of consecutive

vacant years. Liable owners and lessees will owe \$250 per linear foot of frontage for the first year of vacancy, \$500 per linear foot following two years of vacancy, and \$1,000 per linear foot after three or more consecutive years of vacancy. Revenue generated under the ordinance are put in the Small Business Assistance Fund and used to assist small businesses in the City.

In its first year, 74 of approximately 2,800 properties subject to the tax paid the tax, or 2.6%. The total number of vacant properties is contingent upon self-reporting by property owners and is not audited by the City. The tax generated \$667,847 in its first year, one the low end of the City's projection of \$300,000 to \$5 million in anticipated annual revenue. The City believes it will take three years to achieve full compliance and awareness of the tax.



GOAL 1: ESTABLISH DOWNTOWN MOUNTAIN VIEW AS A VIBRANT CENTER OF COMMERCE AND COMMUNITY GATHERING.

STRATEGY 1.4 Support division or modification of existing retail spaces to maximize adaptability to market shifts.

Making retail spaces in Downtown more flexible would go a long way to improving the Downtown experience. Flexible spaces are adaptable to different uses of varying scales. As market conditions change, the inventory of built space in Downtown will be able to accommodate tenants with market support. Ultimately, this reduces vacancy, improves resiliency, and increases vibrancy. Actions include:

- Develop a business tool kit to include resources for businesses to permit and finance improvements, modifications, and subdivisions.
- Contract with consultancy to identify and target specific retail segments and their space needs.
- When updating the Downtown Precise Plan and Moffett Blvd Precise Plan, consider allowing limited non-retail uses as permitted uses in some areas of Downtown (financial services firms, recreational uses, or health and wellness, for example).



Identify pro bono support or provide financial support and connect owners, tenants, and subdividers to design services and consulting. Pro bono support might include university students or professional associations.



Assign a formal or informal liaison in City Hall for landlords and tenants to move space subdivision, modification, or upgrade projects through permitting more quickly.



What We Heard


“Think creatively about getting different uses into retail spaces. Most are large spaces. People want 1,000-1,500 sq ft of retail, but the buildings are 3,000 sf or more.”

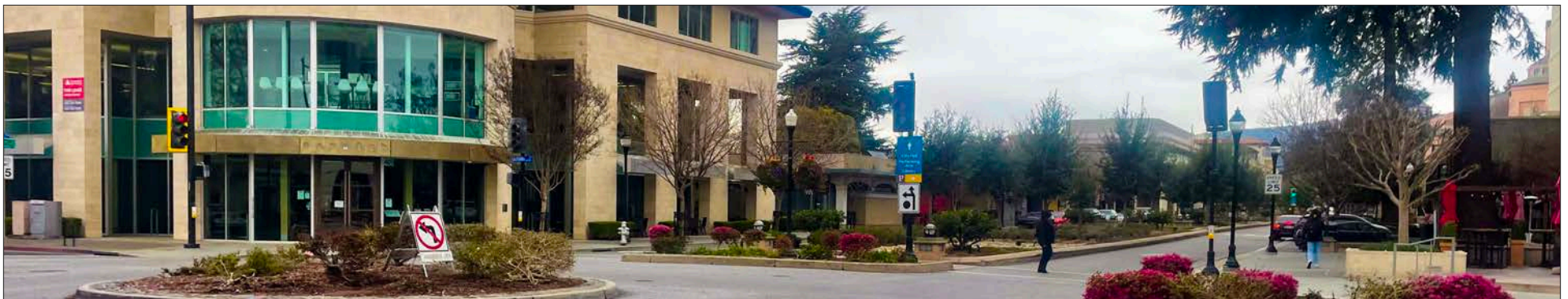


GOAL 2: GROW MOUNTAIN VIEW'S PROVEN, ADVANCED INDUSTRIES THROUGH SUPPORT FOR ESTABLISHED EMPLOYERS, BUSINESS ATTRACTION, INNOVATION, AND ENTREPRENEURSHIP.

STRATEGY 2.1 Provide targeted, highly effective business retention and expansion assistance.

Mountain View is home to many successful companies, large and small. Keeping those companies in Mountain View—and giving them a path to grow and scale locally—should be a priority. Actions include:

- Maintain a database to identify local businesses the City visits and track progress in meeting their needs.
 - Implement a land management system that allows for better tracking of property and tenants.
 - Expand collaboration opportunities with the Mountain View Chamber of Commerce and Downtown Business Association, such as partnering with the Chamber to collaborate on retention visits and business engagement.
 - Engage and follow up with key businesses to coordinate, consult and provide resources for retention or expansion.
 - Evaluate and refine current business development tools, including financial and technical resources, and make these broadly accessible in multiple languages representative of the community.
-  Collaborate with partners on periodic events to connect the business community to consulting, City permitting and license assistance, and real estate, financing, workforce resources.
 -  Clarify the city's procurement processes and market contracting and purchasing opportunities with the city to local businesses.
 - Consider a program where fast-scaling businesses can pay a premium for faster building permit processing associated with tenant improvements and tooling installation.
 - Explore a city payment plan program for commercial linkage fees owed by local businesses.
 - Consider development of a program focused on retention of companies currently headquartered in Mountain View.





GOAL 2: GROW MOUNTAIN VIEW'S PROVEN, ADVANCED INDUSTRIES THROUGH SUPPORT FOR ESTABLISHED EMPLOYERS, BUSINESS ATTRACTION, INNOVATION, AND ENTREPRENEURSHIP.

STRATEGY 2.2 Support employers' needs for a diverse workforce and make Mountain View and its business community champions for equity & shared prosperity.

By renewing the City's and its employers' commitment to economic equity and shared prosperity, Mountain View can continue to systematically dismantle barriers and expand opportunities for underrepresented groups and communities of color. Visible, measurable action will support equitable growth in quality jobs, entrepreneurship, ownership, and wealth in Mountain View. To do this, the City can tailor its own policies, facilitate communication, and reinforce accountability for local employers to continually improve awareness, assistance, hiring, and retention. Actions include:



Collaborate with leading workforce and business agencies, specifically NOVA, SBDC, and SCORE, and educational institutions, like Foothill College and DeAnza College, to link both businesses and workers in target sectors to programmatic support, including local training opportunities and career pathway assistance.

- Identify, inventory, and engage industry associations attached to target sectors, such as Biocom California and California Life Sciences, to maintain a cutting edge understanding of available workforce resources and diversity initiatives.



Encourage and support the creation of a roundtable forum for major employers in Mountain View and across Silicon Valley to share policies and best practices in diversity, equity and inclusion (DEI).



Tailor economic development policies and programs to the diverse cultural identities of Mountain View's small business base, and translate materials and outreach into a variety of languages.



Monitor and increase participation of underrepresented groups in skills training and workforce development or education programs.






GOAL 2: GROW MOUNTAIN VIEW'S PROVEN, ADVANCED INDUSTRIES THROUGH SUPPORT FOR ESTABLISHED EMPLOYERS, BUSINESS ATTRACTION, INNOVATION, AND ENTREPRENEURSHIP.

STRATEGY 2.3 Identify and cultivate new niches within advanced industries and grow and diversify other, established sectors.

Mountain View is home to globally competitive companies across several R&D-focused, STEM-intensive “advanced” industries, including Google, LinkedIn, and Intuit. Advanced industries have an outsized impact by generating spending and investment. They are engines of growth for Mountain View, and the City should take care to ensure that these companies and industries can thrive in Mountain View. Actions include:

- Perform periodic quantitative analyses of Mountain View employment across clusters to identify and target support for emerging and growing industries.
 - Establish business attraction targets for Artificial Intelligence (AI), autonomous vehicles, sensors and tracking, medical devices, life sciences, biotech, health care, climate / green industries, and R&D.
 - Identify, recruit, and provide support for suppliers, distributors, and businesses with synergistic relationships to Mountain View’s strongest existing sectors.
 - Monitor land capacity for advanced industries on an ongoing basis, and audit existing uses. As necessary, expand zoning to allow complementary, supportive, or inter-related allowable uses.
-  Analyze local resident occupational strengths to learn who’s going elsewhere and build industry strategies around that talent leakage.
- Investigate the feasibility of tax sharing programs that support business investment.



What We Heard

“Mountain View has a unique geography with interesting options on both sides of the freeway. [When there are] huge backups on 101 – MV is great because you could take multiple paths to Google. It accommodates lots of different commute patterns, and there’s a lot of flex buildings. Medical devices, robotics, AI, software development, big data moving into MV. Can attract the type of engineering you need in MV.”

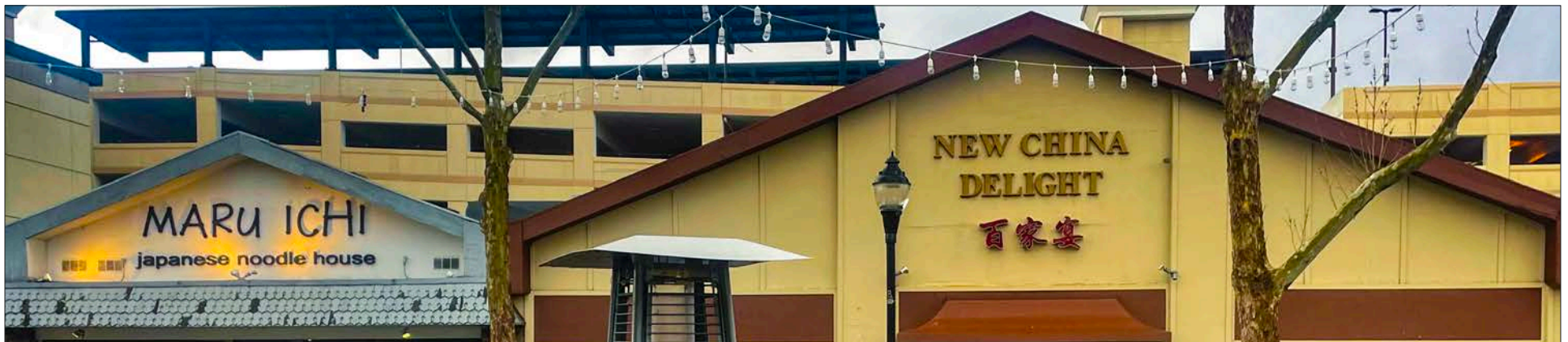


GOAL 2: GROW MOUNTAIN VIEW'S PROVEN, ADVANCED INDUSTRIES THROUGH SUPPORT FOR ESTABLISHED EMPLOYERS, BUSINESS ATTRACTION, INNOVATION, AND ENTREPRENEURSHIP.

STRATEGY 2.4 Market Mountain View to businesses in specific target sectors and niches.

Marketing Mountain View's assets, character, innovation networks, talents, and other companies is a core economic development imperative. The City should put its best foot forward to retain, grow and attract businesses across established and prospective industry sectors. The City must communicate what it has to offer with clear and compelling marketing designed and delivered across multiple channels, and must promote itself with brokers, retailers, and business prospects. Actions include:

- Work with site selectors and brokers in targeted sectors to support business attraction.
 - Identify and conduct outreach to other firms within Mountain View's targeted sectors.
 - Conduct city tours with target sector companies and site selectors and highlight the community's available properties, unique character, and key amenities.
 - Develop a suite of programs and tools to locate headquarters in Mountain across target industries.
-  Promote the local creative economy to attract more creatives to the city.
 - Act as a liaison between entrepreneurs and companies in appropriate health-related fields including the Fogarty Institute.
 - Facilitate the growth and development of Fogarty Institute incubator, Y-Combinator, Hacker Dojo and other incubators and accelerators at commercial and industrial space in Mountain View.
 -  Ensure that marketing materials directed at businesses are clearly available in multiple languages.





GOAL 3: HELP SMALL, LOCAL, AND INDEPENDENTLY-OWNED BUSINESSES FLOURISH IN MOUNTAIN VIEW.

STRATEGY 3.1 Develop and communicate policies and programs designed to assist small and mid-sized businesses.

Small businesses disproportionately strengthen Mountain View’s economy. They keep more dollars local, have a smaller footprint on the environment, and empower local residents. Strengthening small and mid-sized businesses means increasing awareness and access to resources, technical assistance, workforce, and space needs. In many ways, the City can act as an intermediary to listen to and connect small and mid-sized businesses to resources and knowledge. Actions include:



Enhance education and outreach to existing micro, small, mid-sized, and ethnic businesses on the array of small business support resources, including business planning, market research, financing, incentives, workforce and other assistance.

- Develop and track performance metrics around small business permitting process efficiency, time, cost and outcomes.



Develop a multilingual small business toolkit and handbook to assist in navigating the city permitting processes for space development and licensing.



Establish a preference for small, local, and independently owned businesses in City purchasing with goal-setting and reporting.

- Provide small business owners with in-person guidance on leasing or purchasing commercial property and lease negotiations.



Tailor small business outreach and resources to the diverse cultural identities in Mountain View with translation and multi-cultural liaisons.

- Add clarity and flexibility when requiring use permits when a small business-related development may not be able to meet parking requirements.



In larger developments, explore partnering with private developers to negotiate Community Benefits Agreements (CBAs) reserving ground floor spaces for small and local businesses.

- Seek opportunities with small business organizations to partner on micro business training with potential startup grants for completion (see Morgan Hill MicroEnterprise Program).

Morgan Hill MicroEnterprise Program with Rotary, SBDC

In Morgan Hill, the local Rotary Club and Small Business Development Center (SBDC) have collaborated, along with other partners, to support and expand the region’s small business environment. One program that emerged has been a MicroFinance class for aspiring entrepreneurs. This 8-week training program held at a local high school equips students with financial and business know-how to make their business dreams a reality. Following graduation, SBDC provides one-on-one counseling to the entrepreneurs, and mentors from both the SBDC and the Rotary Club of Morgan Hill continue on with the graduates, offering advice and support.



GOAL 3: HELP SMALL, LOCAL, AND INDEPENDENTLY-OWNED BUSINESSES FLOURISH IN MOUNTAIN VIEW.

STRATEGY 3.2 Support local businesses that foster an authentic Mountain View commercial-cultural identity in the City's neighborhoods and Downtown.

Unique, beloved, longstanding, and iconic local businesses are often some of the most vulnerable to shifting market forces. At the same time, they form part of Mountain View's identity and history. New and up-and-coming local businesses also require community support to succeed. While much is dependent on market conditions, the City should consider a handful of low-cost policy and regulatory steps to better support both legacy and up-and-coming local and independently-owned businesses. Actions include:



Create a Legacy Business Program that provides grants to small businesses, and to owners committing to extending leases to tenants (see San Francisco and Seattle Legacy Business programs on following page).

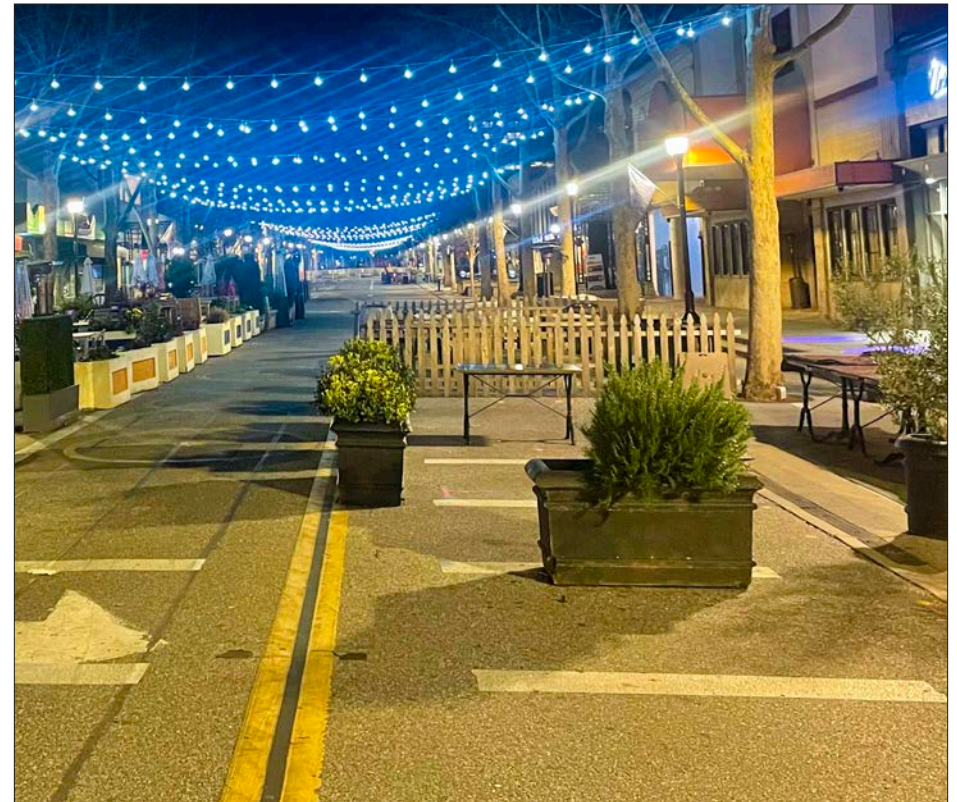


Examine and implement best practices regarding business zones supportive of independent and locally-owned small business for select areas of Mountain View.

- Leverage updated standards guidance in Precise Plan to ensure massing, scale, and other design factors that build on desired character of small business districts in Mountain View.
- Work with larger employers who have vacant spaces that could be put into productive public use via like pop-up kitchens, maker spaces, and co-working spaces.



Identify potential community partners to provide free or affordable space for temporary or long-term local micro-business incubation.





GOAL 3: HELP SMALL, LOCAL, AND INDEPENDENTLY-OWNED BUSINESSES FLOURISH IN MOUNTAIN VIEW.



Legacy Business programs

A Legacy Business Program, as effected by cities like San Francisco and Seattle, can recognize and preserve longstanding, community-serving businesses that are also valuable cultural assets. A Legacy Business Registry is a tool for providing educational and promotional assistance to legacy businesses, to encourage their continued viability and success, and market them to the broader community.

San Francisco adopted its Legacy Business Program in 2015, one of the earliest in the nation. The City provides rent stabilization grants to legacy businesses and landlords that enter into long-term leases with them. Since the program was established, nearly \$2.75 million has been paid out to keep legacy businesses in their brick-and-mortar locations. The average grant payment is \$15,000.

Members of San Francisco's program are included in a targeted marketing strategy to highlight and advertise legacy businesses. This approach includes a

multi-faceted digital marketing campaign, facilitation of business networking and partnerships, plaques for members of the registry, and financial support for these marketing activities by the City. The marketing plan also provides a mechanism for the City to strategically plan under the same program for legacy businesses that are dispersed throughout the city and which provide a variety of goods and services to the community.

Other cities in the United States have pursued similar Legacy Business Programs. Seattle adopted a program in which one business was selected from each of the city's seven council districts to receive public recognition and businesses services tools. Los Angeles adopted a program in which the city uses funds to help legacy businesses negotiate long-term leases with their landlords.



GOAL 3: HELP SMALL, LOCAL, AND INDEPENDENTLY-OWNED BUSINESSES FLOURISH IN MOUNTAIN VIEW.

STRATEGY 3.3 Support and sustain a new generation of successful founders and entrepreneurs.

Mountain View has produced successful founders and entrepreneurs in software, artificial intelligence, medical devices, wellness, impact investing, and finance; and accelerators and incubators abound. The City can help extend this remarkable streak of world-changing innovators by listening to, partnering with, and connecting local actors and ideas with resource networks, consulting, capital, and physical space. Actions to support new generations include:



Institute regular listening sessions or interviews in the entrepreneurial community to keep abreast of the local entrepreneurial ecosystem and its needs and trends.

- Partner with NOVA, SBDC, SCORE, Foothill College, and DeAnza College for entrepreneurship training in Mountain View.
- Create resources to connect, expand and market Mountain View-based entrepreneurs.



Build, maintain, and leverage relationships with successful Mountain View tech alumni and venture capital investors to connect emerging entrepreneurs with established resource and knowledge networks.



Facilitate the adaptive reuse of vacant buildings and commercial spaces by local entrepreneurs with permit-fee waivers, faster timeline for eligible projects, and other assistance.



Create a one-stop resource for entrepreneurs to learn about and access various types of financial support including small business loans, grants, and tax breaks (see Philadelphia’s Capital Consortium).

Philadelphia’s Capital Consortium

Access to capital – and a lack of access – is a significant challenge for many local entrepreneurs. The Philadelphia Department of Commerce launched the Capital Consortium to help local small businesses apply for loans. The Consortium is a group of 29 non-profit and for-profit lenders and other funders working with the Department to streamline the process for small businesses to access capital.

Small business participants fill out an electronic form which details their business’s information and capital needs. This information is sent directly to potential lenders, who reach out directly to businesses they want to work with. In addition, the Department provides technical assistance to businesses navigating the loan process – including by helping them understand if their application is denied.



GOAL 3: HELP SMALL, LOCAL, AND INDEPENDENTLY-OWNED BUSINESSES FLOURISH IN MOUNTAIN VIEW.

STRATEGY 3.4 Recruit small businesses that offer products and experiences missing in Mountain View.

Despite the well-publicized shift of some retail toward the online environment, experiential retail and services remain a high-performing sector and enhance community character. Temporary and permanent retail spaces incorporating art, recreation, live music, cafes or restaurants, virtual reality, and other experiences draw consumers from across the region. Yet Mountain View residents and employees must seek many of these experiences elsewhere. Actions to grow these activities in Mountain View include:

- Engage with niche experiential retailers to understand their specific needs regarding factors such as access, signage and marketing, and local costs of doing business.
 - Identify and market opportunities for specific lines of business via frequently refreshed retail leakage analysis to prospective tenants and niche businesses.
 - Identify strategic partners, including artists, developers, non-governmental organizations, synergistic retailers, and recreational resources that can help attract desired retailers.
- Support the creation and growth of unique, locally grown experiential retailers through pop up activations in prominent, visible local spaces from homes to storefronts.
 - Explore community benefit program for new development that provides scaling rent opportunities for the first two years.
 - Designate areas in Mountain View for food trucks and invite successful mobile food and beverage businesses from throughout the region to do business in Mountain View.
 - Inventory available spaces and requirements to develop actionable plans to support the successful siting of new businesses.





GOAL 3: HELP SMALL, LOCAL, AND INDEPENDENTLY-OWNED BUSINESSES FLOURISH IN MOUNTAIN VIEW.

STRATEGY 3.5 Support growing Latino entrepreneurial and small business enterprises in food & beverage and other industries.

Mountain View is home to many Latino entrepreneurs and small businesses in the food industry. In addition to a high concentration of Latinos employed by restaurants in the region, many entrepreneurs produce unique, high quality, and in-demand products. While some are practiced at using commissary and commercial kitchens, those kitchens and assets are lacking in Mountain View. Home kitchens serve as a substitute, and many others cook from their homes because they do not know how to cook elsewhere or scale up. In addition to kitchen access, local Latino entrepreneurs need access to business training, including understanding City requirements, and the myriad of business skills and expertise and support required to succeed. Collectively this community represents a great opportunity for growth in Mountain View and providing innovative programs to serve the Latino community locally. Actions to grow these activities in Mountain View include:



Disseminate information regarding City licensing, permitting, tax, and other small business requirements in multiple languages.



Collaborate with local partners to solicit interest in funding and building a commercial kitchen designed to serve Latino and other food businesses in Mountain View.

- Explore partnerships with other food services businesses to explore sub leases, co-ops, and other space rental options.



Convene investors, brokers, and developers to solicit investment in Latino businesses and commercial developments to serve a Latino business strategy.



Identify locations in Mountain View where Latino businesses can serve multiple demographics and have access to many markets.



Explore downtown vacancies as a near-term and long-term fit for Latino entrepreneurs and food & beverage businesses.



Replicate this model for other under-served entrepreneur communities as identified in Mountain View.



GOAL 3: HELP SMALL, LOCAL, AND INDEPENDENTLY-OWNED BUSINESSES FLOURISH IN MOUNTAIN VIEW.

STRATEGY 3.6 Initiate a re-invigorated identity and branding campaign positioning and promoting Mountain View at the intersection of Silicon Valley and community and economic vitality.

Successfully rebranding a city helps to increase tourism and encourages city pride amongst residents and workers. As a part of a new brand and identity, highlighting assets and progress in Mountain View can significantly improve regional perceptions. The City can design and lead a re-branding campaign itself, utilizing outside contractors and existing media channels and materials. Actions include:

- Inventory Mountain View’s assets, progress, and innovations to assess what defines the City and distinguishes it within the region.
- Initiate a strategic effort to re-invigorate Mountain View’s city image and generate compelling branding that combines the ideas of Silicon Valley with economic and community vitality.
- Distill the messaging and design language of the City’s re-imagined brand and determine where and to whom to communicate it regionally and nationally.
- Leverage new and upgraded infrastructure, public realm design, and development as opportunities to reinforce the revamped brand of Mountain View.
- Create and popularize a certification program with window and product stickers for unique and niche “Made in Mountain View” products, businesses, or services.
- Strengthen unique sense of place by supporting and leveraging arts, entertainment, and cultural assets to attract new firms, industries, residents, and visitors while supporting existing businesses and sectors.
- Strengthen messaging that Mountain View is a safe and welcoming business environment.





GOAL 3: HELP SMALL, LOCAL, AND INDEPENDENTLY-OWNED BUSINESSES FLOURISH IN MOUNTAIN VIEW.

STRATEGY 3.7 Implement anti-displacement policies that provide temporary and long-term solutions that keep businesses in place.

In Mountain View, new development or rent seeking and speculation by property owners can adversely impact local and small businesses' profitability and viability – sometimes displacing them entirely. Many communities with high-value commercial districts increasingly struggle with this dynamic. In other California cities and nationally, a number of tools have emerged to help protect small businesses from displacement that Mountain View should consider. Actions include:



Provide additional assistance to businesses in areas experiencing gentrification and displacement, such as lease consulting, or third-party master leasing of ground floor mixed-use retail space.



Explore the use of rent caps or rental subsidies for small commercial tenants - similar to rent control or voucher programs for residential units.



Expand access to ownership to marginalized small business owners and non-profits by offering tailored financial products for property ownership.



Connect vulnerable small business owners & tenants to technical assistance consulting and resources.



Leverage the use of Community Benefits Agreements in future commercial center development in Mountain View to spur developers to provide amenities and spaces tailored to local community needs.



Increase local ownership in areas of high land speculation with vehicles such as real estate and community investment cooperatives and community land trusts.





GOAL 4: MODERNIZE MOUNTAIN VIEW'S DEVELOPMENT POLICIES TO PROVIDE CLARITY AND CERTAINTY FOR NEW USES THAT ALIGN WITH THE EVS VISION AND GOALS.

STRATEGY 4.1 Build adaptability into land use and development codes with provisions that respond to changing demands of commercial and industrial users.

Mountain View's adopted development code sets the standards that projects must meet to receive a permit. These standards govern the size of buildings, but also the uses that can operate within them. Stakeholders indicate that Mountain View's code lacks flexibility and modern businesses have trouble reconciling their space needs with code requirements. Addressing these issues will make it easier for companies to grow and scale in Mountain View. Actions include:

- Assess the development code to identify opportunities to revise permitted uses across employment-generating zoning designations; specifically consider allowing a broader range of uses in retail areas, and restricting low employment density uses in core office and industrial designations.
- Consider incorporating form-based elements to govern architectural character without overly prescriptive limitations on use.
- Develop a process to periodically engage business leaders on challenges associated with Mountain Views planning and development policies and processes.
- In tandem with 2.1d, pursue targeting rezonings to ensure land availability for advanced industries and other target sectors.
- Explore possible rezoning to better accommodate in-demand uses regionally, including non-hospital health offices, office space, industrial space, and wet labs.

What We Heard

“Commercial areas that are rigid about uses are going to decline. Limits on restaurants and food spaces happen but lifting those can really turn spaces around. The momentum in Mountain View is positive, so how do we capitalize on it? If we stop focusing so narrowly on traditional retail, allow more food and related uses, it gives the perception that retail is back.”





GOAL 4: MODERNIZE MOUNTAIN VIEW'S DEVELOPMENT POLICIES TO PROVIDE CLARITY AND CERTAINTY FOR NEW USES THAT ALIGN WITH THE EVS VISION AND GOALS.

STRATEGY 4.2 Identify workforce housing & supportive service challenges with critical economic development implications for prioritization and direct action.

The Bay Area has a regional affordable housing crisis, and housing is a critical policy consideration for Mountain View and other cities throughout the region. The high cost of housing in Mountain View sometimes precludes businesses from hiring workers, and the predominantly single-family development pattern may not appeal to other workers. These housing-related issues are also economic development challenges, and Mountain View should address housing head-on. Actions include:



Quantify workforce demand for housing types and prices not currently available in Mountain View.



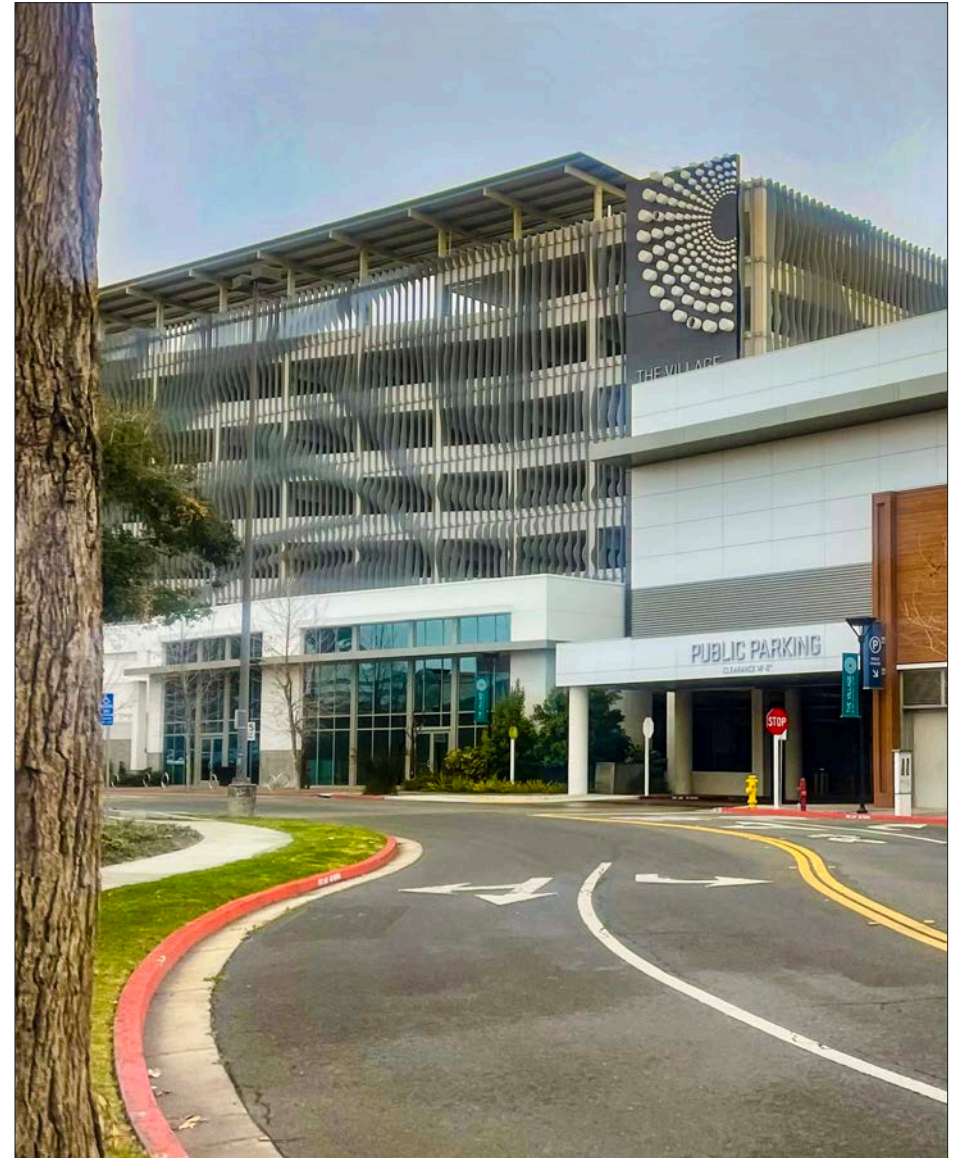
Align the city's economic development work program with housing element policy to reinforce the city's commitment to provide housing for Mountain View workers.



Work with existing and new partners to address systems supportive of employee retention, including childcare, education, transportation, housing needs, and other social services.



Explore possible City roles in facilitating, supporting, and assisting the creation and expansion of childcare services.






GOAL 4: MODERNIZE MOUNTAIN VIEW'S DEVELOPMENT POLICIES TO PROVIDE CLARITY AND CERTAINTY FOR NEW USES THAT ALIGN WITH THE EVS VISION AND GOALS.



STRATEGY 4.3 Clarify and streamline permitting processes and nurture a business climate that clearly differentiates Mountain View from its neighbors.

Companies, big and small, look forward to doing business where the city acts collaboratively as a partner. When a city makes development activities and business operations more costly or time intensive than its neighbors, businesses are apt to leave that city or choose to expand elsewhere. Mountain View has an opportunity to distinguish itself from other cities in Silicon Valley by making it easy to start and grow small businesses. Actions include:

- Allocate resources toward increasing staff to handle permitting processes more quickly and efficiently.
 - Create a dedicated rapid-response team to handle expedited permits for designated critical development areas (e.g., downtown, San Antonio Center, major industrial areas).
 - Hire adequate third-party plan-checking consultants and other providers to supplement staff resources and expedite permit review; and offer need-based assistance.
-  Provide more access to city hall in the form of expanded hours, on-line availability, appointments outside of traditional work hours, and information on key people to contact based on needs.



GOAL 4: MODERNIZE MOUNTAIN VIEW'S DEVELOPMENT POLICIES TO PROVIDE CLARITY AND CERTAINTY FOR NEW USES THAT ALIGN WITH THE EVS VISION AND GOALS.

STRATEGY 4.4 Evaluate and adapt policies, regulations, and enforcement to avoid disproportionate or adverse impacts on small businesses.

Working with cities on policy and regulatory issues can be a major challenge for small businesses that don't have the resources to dedicate to longer or more complicated processes. Identifying and addressing issues specific to small businesses will enable those businesses to remain in Mountain View, offering goods and services that Mountain View residents value, strengthening Downtown and other commercial centers, and enhancing Mountain View's historic role as a hub for entrepreneurship. Actions include:



Review requirements for Conditional Use Permits and proposed reduce required parking for certain small businesses.

- Modernize business license to include commercial landlord fees.





GOAL 4: MODERNIZE MOUNTAIN VIEW'S DEVELOPMENT POLICIES TO PROVIDE CLARITY AND CERTAINTY FOR NEW USES THAT ALIGN WITH THE EVS VISION AND GOALS.

STRATEGY 4.5 Improve connections between the city's commercial and industrial areas to foster easier access for collaboration.

Ease of access and connectivity between hubs of industry and commerce enable cross-pollination of ideas, talent, and supply chains. Yet mobility and connectivity amongst these nodes is sometimes challenged in Mountain View by superblocks, freeways, rail corridors, and natural geography. Improving connections between these hotbeds of activity will strengthen the pace of innovation in Mountain View's key industries. Actions include:

- Continue to implement development regulations that encourage or require through-block pedestrian connectivity in existing or potential pedestrian corridors.



Collaborate with the TMA to assess the efficacy of existing Community Shuttle and MVgo service levels and routes in linking major employment hubs with Downtown and other commercial centers.



Work with employers to assess gaps and opportunities for improvement in non-motorized and public transportation. Explore micro-mobility solutions to follow the current moratorium.

