



## City Council Economic Development Subcommittee

MINUTES (DRAFT)

Conference Room A

City Hall, 501 Primrose Road – Burlingame, California  
Wednesday, August 14, 2019 – 8:15a.m.

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### ATTENDANCE

**Members Present:** Vice Mayor Emily Beach and Councilmember Ann Keighran

**Members Absent:** None

**Staff Present:** City Manager Lisa Goldman (CM), Community Development Director (CDD) Kevin Gardiner, Finance Director Carol Augustine (FD), Parks and Recreation Director Margaret Glomstad (PRD)

**Members of the Public Present:** Fetta Aydin (General Manager, Embassy Suites San Francisco Airport Waterfront), John Hutar (CEO, San Mateo County/Silicon Valley Convention & Visitors Bureau), John Kellites (General Manager, Hilton San Francisco Airport Bayfront), Lisa Kershner (General Manager, San Francisco Airport Waterfront Marriott), Kevin Kretsch (General Manager, Hyatt Regency San Francisco Airport), Michael McKee (General Manager, DoubleTree by Hilton San Francisco Airport), Norman Onaga (General Manager, Crown Plaza San Francisco Airport)

### READ AND APPROVE MINUTES FROM JUNE MEETING

Approved.

### DISCUSSION ITEMS

#### Hotel General Managers:

CDD Gardiner introduced the topic, followed by members of the subcommittee. Attendees were encouraged to share items of interest, including things that are going well, areas of improvement, and issues for the City Council and staff to be looking at in the future.

Comments from attendees:

- According to data through June, San Mateo County occupancies are down about one point. Average rate is up six points. A number of hotels were added in the Redwood City corridor late last year and early this year, so year over year there has been an increase in the volume of rooms. This all totals to a net revenue gain of 7½ percent through June. It bodes well for the industry, and the status of Transient Occupancy Tax (TOT).
- Forecast is that there will be an erosion of one point in economic growth, from three percent to two percent, due to the diminishing impacts of the previous year's tax credit having provided an artificial lift, but that growth should continue through 2021.
- Business from China had been very strong but may be declining. Hotels will need to shift emphasis to other areas of the market. Uncertainty with China is anticipated to continue past the 2020 election.

- Burlingame hotels are excited about the prospect of additional workers at Oculus, with an expectation of an increase in corporate travel. However there is a concern with traffic from the development.

CDD Gardiner responded that when the Burlingame Point project (in which Oculus is leasing space) was approved, it included an obligation to have a Transportation Demand Management (TDM) program. Facebook (owner of Oculus) is known to have successful TDM programs, with less than half of employees traveling to work alone in their cars. For office uses, this proportion is very good. Because there will be just one tenant, it will be easier to manage the transportation program than if there were multiple tenants as was anticipated when the development was first approved.

Subcommittee members added that modern TDM programs include ongoing measurement, including monitoring traffic counts to ensure accountability. It may also involve partnering with other office parks, businesses, and area stakeholders rather than just managing programs parcel by parcel. Opportunities can extend beyond Oculus and office buildings to include hotels as well.

Comments from attendees:

- All of the hotels have shuttles. There has been consideration of revising shuttle schedules. There is concern that with increased traffic, shuttles will take longer to reach destinations, and passengers will be inclined to switch to ridesharing services. Additional rideshares create more traffic, which leads to further declines in shuttle ridership. The thinking is to add additional shuttles to improve scheduling and minimize the switch to ridesharing.
- Don't want to have the large trolley go around empty. Perhaps have it run more on-demand, getting to Broadway and Burlingame Avenue more quickly.

Attendees asked about the occupancy schedule for the Oculus development. CDD Gardiner responded that the first building is scheduled to be occupied in the summer of 2020, and it will take about a year for the entire campus to be fully occupied. CM Goldman noted that Facebook has leased a property on Rollins Road for staging its shuttles.

Subcommittee members also mentioned the Commute.org shuttles. It is a partnership with area employers and the County's congestion management authority, and is free. Commute.org is part of the discussion as well, as an alternative to shuttles only being specific to private businesses. The Bayfront shuttle includes stops all along the Bayfront, so people can reach multiple destinations. The shuttles are focused on serving commuters, and tie into the Caltrain and BART stations.

CDD Gardiner noted that a longer-term objective will be for the City to consider establishment of a Transportation Management Association (TMA), which can serve to coordinate local transportation throughout the Bayfront. It would offer greater efficiencies of scale compared to each individual business operating its own transportation program. Mountain View and Sunnyvale are examples of cities with similar commercial districts that are served by TMAs. The arrival of Topgolf could provide further impetus to establish a TMA.

Attendees inquired about the status of the Topgolf proposal. PRD Glomstad noted that the environmental review is ongoing, and it is anticipated that the lease and environmental documentation

will be ready in January 2020. Topgolf is hoping to begin construction in summer 2020, with occupancy in 2021 or 2022.

Comments from attendees:

- Would be interested in earmarking some funds for beautification of the area, including the Bay Trail.
- Rates are high, so when guests pass chain link fences on their way to the hotels it does not leave a good impression. While Burlingame Avenue is beautiful, some people may not see that; instead their impression of Burlingame will be the chain link fences on Bayshore Highway.
- Guests will see vacant storefronts and wonder what kind of neighborhood they are in.
- The drive between the hotels should leave a good impression for future business and repeat business.
- Familiar with a program on Broadway in Oakland where owners were required to dress up their vacant storefronts.

Subcommittee members noted that the City has implemented a program in its downtown commercial districts to encourage owners to improve the appearance of vacant storefronts. This approach could be extended to other areas of Burlingame such as the Bayfront. The most egregious examples can be referred to Code Enforcement.

Subcommittee members suggested opportunities for complete streets, which would accommodate bicycles and pedestrians as well as vehicles, and green infrastructure, which would incorporate planting and stormwater treatment. CM Goldman also mentioned that the City is preparing a bicycle and pedestrian master plan, which is likely to result in improved bicycle paths on the Bayfront.

Comments from attendees:

- Expects the streetscape in the Oculus development will be enhanced as part of the development, so hoping the north end of Airport Boulevard can also be upgraded to be on par.
- Some portions of the Bay Trail are in poor repair, with tree roots breaking up the pavement.
- There are portions of the Bay Trail that are undeveloped so the trail is discontinuous. Otherwise the trail is a big selling point, and is an amenity not ordinarily found at an airport hotel. There might be opportunities to address this as part of sea level rise adaptation.

CDD Gardiner provided a brief overview and update of the ongoing sea level rise study, named “Sea Change Burlingame.” The study is considering a range of options including levees and sea walls, and it is assumed improved public access would be integrated into any approach. The next workshop will be on the evening of October 16<sup>th</sup>.

Comments from attendees:

- Hotel owners want to have a sense of the costs for adaptation so they can prepare.
- Hotel owners also want to know how much responsibility they will have for adaptation, versus the City, County, and State. There needs to be community agreement and a plan.

Regarding the maintenance of the Bay Trail, subcommittee members and staff noted that each property owner is responsible for the maintenance of their segment of the trail. Not all owners or managers are aware of this.

Attendees mentioned that they are visually seeing more homeless people in San Mateo County, including the Bayfront. Some hotels have experienced a few instances of people going through hallways looking for showers. CM Goldman responded that the police can be called, and while the police will not arrest homeless people who aren't breaking the law, they will send an outreach team to offer services. Calls can be made to the non-emergency number at the Police Department.

Comments from attendees:

- Concern with short-term rentals. Some people are riding hotel shuttles, then disembarking and walking across the bridge towards Rollins Road to stay in private homes and apartments.
- According to the airdna ([www.airdna.co](http://www.airdna.co)) data source, Burlingame has 142 units available, with an 83% occupancy last month and with a \$188 average daily rate. There could be more than \$8M in revenue on the table, equivalent to a hotel the size of a Hilton Garden Inn. That represents a loss of \$1M in TOT; hopefully a policy could be developed expeditiously to collect that revenue.
- More Accessory Dwelling Units (ADUs) may create more opportunities for short-term rentals.
- The interest is not restricting the existence of the short-term rentals, it is ensuring that it is a level playing field.

CM Goldman noted that Burlingame is subject to a voter initiative passed in 1987 (Measure T) that restricts the ability for the City to regulate rents and rentals. This may complicate the consideration of short-term rentals in Burlingame in a way that would not necessarily apply in other cities. However it is a matter that staff is anticipating working on.

Comments from attendees:

- Curious why the southbound exit from US-101 onto Broadway has three right-turn lanes but only one left-turn lane. The left turn lane backs up when there are events at hotels.
- LimeBikes were popular with guests. Given that LimeBike no longer offers bikes, would be great if the City implemented a bike sharing program.
- Congestion from the airport is causing the shuttles to take too long. Flight crews are frustrated with how long it takes to get from the terminals to the hotels. However the airport will not allow an increase in the frequency of shuttles. It would be helpful if the City advocated on behalf of the hotels to find ways to improve the transportation situation.
- The City needs to be protective of the flight crew business. There are six hotels in South San Francisco in the pipeline. The Average Daily Rate (ADR) in South San Francisco is lower, and flight crews do not have to pay TOT, so it is a threat to flight crew business in Burlingame.
- The flight crews enjoy shopping Downtown, so losing flight crew business could impact the City's sales tax.

### **FUTURE AGENDA TOPICS**

- Follow-up on items raised in this meeting.

- Revisit with hotels early in 2020.

**PUBLIC COMMENTS**

There were no further public comments.

**ADJOURNMENT**

Meeting adjourned at 9:26 a.m.

Respectfully submitted,

Kevin Gardiner  
Community Development Director