



City Council Economic Development Subcommittee

MINUTES (DRAFT)

Conference Room A

City Hall, 501 Primrose Road – Burlingame, California
Wednesday, December 9, 2020 – 8:15 a.m.

ATTENDANCE

Members Present: Vice Mayor Ann O'Brien Keighran

Members Absent: Councilmember Ricardo Ortiz

Staff Present: City Manager (CM) Lisa Goldman, Economic Development Specialist (EDS) Joseph Sanfilippo, Finance Director (FD) Carol Augustine, Parks & Recreation Director (PRD) Margaret Glomstad

Members of the Public Present: John Hutar (President & CEO, San Mateo County/Silicon Valley Convention and Visitors Bureau (SMCCVB)), Mike McKee (DoubleTree), Kevin Kretsch (Hyatt Regency SFO), Lisa Kershner (SFO Waterfront Marriott), Fettah Aydin (Embassy Suites), Jim Ford (San Mateo County COVID-19 Compliance Team), Jenny Kelleher (President of Downtown Business Improvement District (DBID)), Georgette Naylor (Burlingame/SFO Chamber of Commerce)

READ AND APPROVE MINUTES FROM NOVEMBER 13, 2020 MEETING

- Continued to the next meeting due to lack of quorum.

DISCUSSION ITEMS

Check-In Discussion with Hoteliers

EDS Sanfilippo introduced the topic, followed by a presentation on market performance figures from John Hutar (President & CEO, San Mateo County/Silicon Valley Convention and Visitors Bureau (SMCCVB)).

April 2020 was the lowest market point in the pandemic, and while occupancy and rates remained low in more recent months, August 2020 was the peak performance. There has since been a slight decline downward in occupancy and revenue, through October results (about 35.3% occupancy for Burlingame/Millbrae/SFO in that month, 43.2% YTD).

The coastside of San Mateo County performed well through the summer and fall, but the Brisbane and South San Francisco markets are performing better now. Hotels with fewer amenities and those offering budget options are anecdotally more popular than full-service hotels, which make up the majority of Burlingame's hotels.

The number of rooms closed throughout the County has decreased from 20% in April to 6% in October. Occupancy rates in the San Francisco Bay Area are anticipated to recover by 2024 and average daily rates (ADR) by 2025.

Mr. Hutar offered an update on the broader tourism industry, noting that the City's letter to the

Governor's office to allow meetings of up to 50 persons was appreciated, but unfortunately the State did not adopt this recommendation in the face of rising cases.

He noted that bicycle programs are desired for hotels, but obtaining a vendor is more challenging than expected.

Mr. Hutar said that attracting leisure travel has recently been difficult, and there is a challenge with homeless individuals coming to the Bayfront from the Millbrae BART station. While the County has been helpful in referring individuals to services, many of them are reportedly service-resistant. The SMCCVB has spoken to Supervisor Pine about this issue, and is hoping to connect with Supervisor Slocum as well.

Lisa Kershner (Marriott SFO) noted that Jeff Kiernan (County Health) has assisted the hoteliers contend with the challenges of homeless individuals coming into the hotels. CM Goldman mentioned that the hoteliers can always call the Police Department to connect them with the County Homeless Outreach Team.

Vice Mayor O'Brien Keighran said that she will email Supervisor Slocum's Chief of Staff for the Homeless Summit anticipated for Q1 2021 to help the SMCCVB connect with them.

Mr. Hutar noted that many hoteliers are unsure how to fulfill the Cal/OSHA reporting requirements to the County.

CM Goldman said that the City has reported several infections to the County, though they had been infected outside of work; she will check the process and follow up with the SMCCVB. She noted that the State's OSHA guidelines seem to be in conflict with Federal OSHA standards, leading to confusion as well.

Kevin Kretsch (SFO) noted that new travel restrictions have led to a drop in demand and cancellations, which will mean a grim picture for the coming months. He cautioned that the rate decreases will be particularly worrisome for City revenues.

Mr. McKee, Fettah Aydin (Embassy Suites), and Ms. Kershner all agreed that the occupancy and daily rate will continue to decrease; Ms. Kershner noted that many hoteliers are considering temporarily closing in nearby markets, and any competitive advantage the City may be able to offer would be appreciated. Mr. Aydin mentioned that airline crew reductions and fewer flights would also cause a drop in occupancy.

CM Goldman noted that Vice Mayor O'Brien Keighran asked for information about TOT rates in other cities as Burlingame's 12% could provide a competitive advantage for Burlingame hotels.

CM Goldman noted that in summer 2021, the City Council will likely discuss potential tax increases that could go to voters in November 2022, though she does not think that the Council will be inclined to increase the TOT rate given the difficulties facing the hotel industry.

Check-In Discussion with San Mateo County COVID-19 Compliance Team

CM Goldman introduced the topic. Jim Ford (San Mateo County COVID-19 Compliance Team) noted that County Manager Mike Callagy hired several staff to establish a compliance team and check on complaints filed online. Mr. Ford mentioned that the team's primary goal is to educate businesses on what is allowed. For those that continue to disregard regulations, the County can issue administrative citations.

Mr. Hutar questioned if businesses building out parklets are compliant with State guidelines, as many seem to be rather enclosed.

CM Goldman noted her previous request to Mr. Ford to check for compliance on and around Burlingame Avenue; Mr. Ford confirmed that those currently in place are all compliant.

Mr. Ford reiterated that outdoor dining compliance is the primary concern currently, noting that the State mandates 50% airflow for outdoor dining structures. Mr. Hutar offered an opportunity for Mr. Ford to provide a presentation to the SMCCVB to help educate the bureau and their partners.

Mr. Ford noted that some employees have complained about their own employers, though citations are rare due to the education-based nature of the team.

Vice Mayor O'Brien Keighran wondered if the compliance team has received complaints about Burlingame specifically, and Mr. Ford confirmed that he will provide the statistics to CM Goldman. Vice Mayor O'Brien hoped to promote the existence of the compliance team in our eNews and on Nextdoor to increase consumer confidence.

Future Agenda Topics

To be determined upon Subcommittee rotation

Miscellaneous Discussion

Mr. Hutar queried when the City anticipates the Bay Area mega-region to be placed on lockdown. CM Goldman noted that the County still has 25% ICU capacity. Since San Mateo County is one of the only Bay Area counties open, it may attract citizens from other counties or otherwise face shrinking ICU capacity due to out-of-county patient transfers.

Vice Mayor O'Brien Keighran advised that health care workers will be getting vaccinations beginning next week.

Mr. Hutar said that food service workers are reportedly designated as 2nd round vaccine receivers, but hotel housekeeping staff are not. He hoped there would be a way to advocate for their inclusion. Vice Mayor O'Brien Keighran noted that she will find out what the County's interpretation on the rounds of vaccinations would be in this case.

Action Items

- CM Goldman will email John Hutar at the SMCCVB information related to Cal/OSHA County reporting requirements.

FUTURE AGENDA TOPICS

- January 13, 2020 – To be determined

PUBLIC COMMENTS

There were no further public comments.

ADJOURNMENT

Meeting adjourned at 9:08 a.m.

Respectfully submitted,

Joseph Sanfilippo
Economic Development Specialist