



City Council Economic Development Subcommittee

MINUTES (DRAFT)

Conference Room A
City Hall, 501 Primrose Road – Burlingame, California
Wednesday, December 11, 2019 – 8:15a.m.

ATTENDANCE

Members Present: Vice Mayor Emily Beach, Councilmember Ann Keighran

Members Absent: None

Staff Present: City Manager Lisa Goldman (CM), Community Development Director (CDD) Kevin Gardiner, Economic Development Specialist (EDS) Joseph Sanfilippo

Members of the Public Present: Riyadh Salma (Downtown property owner)

READ AND APPROVE MINUTES FROM SEPTEMBER, OCTOBER AND NOVEMBER MEETINGS

Vice Mayor Beach motioned to approve, Councilmember Keighran seconded.

DISCUSSION ITEMS

Downtown Business Improvement District: CDD Gardiner introduced the topic, explaining that the Subcommittee is interested in hearing from property and business owners about their ideas for the district or areas of improvement.

- Zoning: Vice Mayor Beach questioned when to expect the zoning ordinance update. CDD Gardiner said he expects the update in Q2 2020 as the consultant is delivering the zoning code as a full set, not chapter by chapter. Councilmember Keighran mentioned a previous discussion to make zoning more flexible to mitigate chronic vacancy problems. CDD Gardiner noted a local property owner has proposed rezoning a commercial recreation facility due to adverse market conditions.
- Active Storefronts with Supplementary Office Use: Councilmember Keighran reintroduced the discussion regarding repurposing the back portions of buildings as office space as long as the street-facing portion of the storefront is rented with retail or other such active uses. CDD Gardiner proposed that Planning staff will work on this in Q1 2020.
 - CDD Gardiner noted there is question as to how much of the store frontage has to be rented as retail (30 ft, 50 ft, etc.) before converting the rest to office. Mr. Salma mentioned that the retail space has to be large enough to incentivize property owners to rent the retail space. He expressed his support for allowing office use in the back but had concerns with requiring the front/retail portion of the property to be rented first, as office users in the back will generate commercial activity and make the retail spaces more attractive for businesses. Councilmember Keighran expressed concern that property owners may not

- want to try and rent the front portion as long as the offices are commercially viable by themselves.
- Vacancy Taxes: Vice Mayor Beach expressed interest in having the office rent potentially subsidize the retail space that may otherwise struggle paying rent on a space fronting Burlingame Avenue. She proposed a limited time frame that allows the office portion to be rented by itself and then imposing a vacancy tax if the retail portion is vacant beyond 12 months. Mr. Salma explained that San Francisco has a vacant property registration tax, but noted that renovations and vacancies are charged at the same rate, which is frustrating for property owners undergoing renovations and tenant improvements. Mr. Salma asserted that lost revenue of the vacant space would be a greater incentive, and that a vacancy tax may be redundant and unnecessarily punitive. Councilmember Keighran noted potential legal liability if someone does not pay the tax, and Mr. Salma questioned the legal basis of the tax. Councilmember Keighran indicated that she also does not support a vacancy tax as tenancy can take time, even if a deal is being brokered, but she is still in favor of requiring the retail space to be occupied first before the office space.
 - Mr. Salma and Councilmember Keighran discussed marketing issues, high rental rates, and how the differences in marketing efforts between property owners may exacerbate vacancy issues. Vice Mayor Beach hopes to support small business/boutique owners and again noted that office rents may be able to offset some of the costs to allow small retail to more easily access downtown retail space. Councilmember Keighran noted the necessity for anchor stores to allow smaller stores to thrive.
 - Redevelopment: Councilmember Keighran suggested a potential opportunity to redevelop the City parking lot next to the Burlingame Avenue AT&T building with residential units or a grocery store to generate activity on the 1400 block of Burlingame Avenue.
 - Expense of Doing Business: Mr. Salma indicated that small business owners have expressed concerns with utility fees. He theorized that subsidies to businesses with a small number of employees or few franchises would allow for more retail viability. He also noted frustrations with prolonged design reviews/tenant improvements. Vice Mayor Beach explained that the City has limited ability to change utility rates and CM Goldman suggested that bimonthly water bills may artificially raise concerns over expense.
 - CDD Gardiner noted a trend in potential tenants trying to avoid triggering Planning Commission Design Review of façade changes. He is not sure if it is a perception of Burlingame's planning process or if project applicants have had previous laborious experiences in other jurisdictions. Mr. Salma explained it is likely not a fear of having a project denied, but rather how long the process will take. CDD Gardiner proposed alerting potential tenants to let them know that design review is not an arduous process.

- Councilmember Keighran suggested exploring potential ways to expedite the review process. She proposed that projects with less than a 50% remodel could be expedited by having City staff utilize the Planning Commission as a basis for a shortened Design Review. CDD Gardiner confirmed that staff will explore the possibility. Mr. Salma suggested a linear square footage threshold may be more beneficial than a set percentage with regards to whether a project is subject to Planning Commission review.
- Mr. Salma and CDD Gardiner agreed that a handout with clear expectations and a shorter timeframe for design review would be useful to prospective applicants.
- Changing Retail Market: CDD Gardiner noted larger spaces are particularly vulnerable to chronic vacancy. EDS Sanfilippo explained the nationwide trend of major brands “rightsizing” their fleets (by shrinking their number of stores and reducing overall square footage) due to market conditions no longer favoring big box stores.
- December DBID Meeting Summary: EDS Sanfilippo noted that at the December 10th DBID meeting, members expressed concerns with limited parking availability during construction of the new parking structure. CM Goldman asserted that valet parking and the opening of the Caltrain lot have been beneficial. EDS Sanfilippo also noted DBID members had expressed concerns about the holiday lights on the tree at the Caltrain station due to an electrical short but that the DBID felt the enhanced lighting in the District was overall successful.
- Preparation for Agenda Planning in January: Vice Mayor Beach proposed that staff review Subcommittee meeting minutes from the previous 12 months for major talking points and action items to bring to discussion in January for agenda planning. Councilmember Keighran asked that physical packets of Subcommittee meeting minutes be distributed quarterly to all Councilmembers. CM Goldman mentioned that keeping a running list of major talking points and action items will be helpful for 2020. Vice Mayor Beach suggested that staff prioritize the agenda planning based on continuity/recurring themes. CDD Gardiner suggested that staff propose a work plan based on the action items in the meeting minutes. Councilmember Keighran suggested follow-up on matters raised in the Burlingame Talks Shop event, and CDD Gardiner noted that EDS Sanfilippo has prepared a summary of that event for review.
- Recurring themes to be looked at in January: Subcommittee members suggested that there should be a discussion of property maintenance, particularly of vacant lots that are not maintained (empty car wash, Bayfront lots, etc.). CM Goldman said the City Attorney’s office needs to be brought into the discussion as property maintenance and reduction of visual blight are in the realm of Code Enforcement. Councilmember Keighran said that this should be discussed on a future agenda in 2020. Mr. Salma mentioned that dilapidated awnings can also be a visual blight, but City staff is unsure if this is handled through Code Enforcement. CM Goldman noted awnings in disrepair spurred interest in creating the Façade Improvement Pilot Program, set to take place in the Broadway district in January. CDD Gardiner mentioned the success of the vacant

property maintenance checklist and property owners being generally agreeable in bringing their properties into compliance.

- **Façade Improvement Pilot Program:** Vice Mayor Beach said she hopes to explore targeted outreach for the Façade Improvement Program to help long-standing iconic businesses improve their appearances. EDS Sanfilippo explained that there are some concerns over triggering new building code requirements if façade improvements are implemented for older businesses. CDD Gardiner suggested that connecting applicants to Planning/Building staff to explore their options and offering consultation services may be useful to applicants. CM Goldman mentioned that the program is a pilot but, should the program be successful, City staff can potentially request additional funding to expand the program.
- **Action items:** EDS Sanfilippo will send Subcommittee members the notes from the November SVEDA conference and the Burlingame Talks Shop summary document. EDS Sanfilippo will look into attending the ICSC conference in May. EDS Sanfilippo will peruse the previous 12 months of meeting minutes for recurring themes to discuss at the January Subcommittee meeting. CDD Gardiner and Planning staff will explore expediting the design review process and creating a Design Review handout for prospective businesses.

FUTURE AGENDA TOPICS

- January 8, 2020 – agenda planning

PUBLIC COMMENTS

There were no further public comments.

ADJOURNMENT

Meeting adjourned at 9:10 a.m.

Respectfully submitted,

Joseph Sanfilippo
Economic Development Specialist

Running List of Action Items- Economic Development Subcommittee Meeting Minutes, 2019

Here is a bulleted list of items that recurred multiple times and should be prioritized in 2020:

- Vacant property maintenance:
 - Additional enforcement of current checklist
 - Consideration of ordinance adoption to allow the City to levy a fine after “three strikes”
 - Consideration of stock image development to ease the burden on property owners as much as possible
- Bayfront Maintenance:
 - Periodic reminders that property owners are responsible for Bay Trail maintenance
 - Ensure that vacant property maintenance checklists are distributed to non-compliant Bayfront property owners
- Annual meetings for:
 - DBID and Broadway BIDs
 - Hotel owners (Early 2020 per September minutes)
 - Automobile dealers (discuss housing above dealerships)
 - Burlingame Plaza and California Drive business owners (for Plaza, note Commute.org’s bike rack installation program (see June minutes))
- Façade Improvement Pilot Program: Gauge effectiveness of program after its conclusion in March and evaluate if additional funding should be pursued, if the program should be changed, etc.
- Flexible zoning:
 - Entertainment, recreational or daycare uses for major commercial districts (specifically Inner Bayshore for daycare)
 - Consideration of office uses in the back of commercial spaces (though there needs to be discussion on if the commercial component is required first or not)
 - Residential uses in Downtown
- Shop Local Campaign: Continue distribution through City outlets
 - Consider coordination between BIDs (using Chamber as intermediary) to promote a unified front (with brochures, shuttle maps, etc.)
- Short-Term Rental Legislation:
 - Consider ordinance adoption requiring TOT collection
- Parking:
 - Ensure additional enforcement on California Drive
 - Gauge effectiveness of change to 2-hour parking on Broadway
 - Prepare to respond to concerns over limited availability during Lot F & N developments
- Streets Alive/Pop-Ups:
 - To encourage activity on foot, consider weekly/monthly closures of commercial districts to have community events in commercial corridors. Could use temporary furniture/parklets (see Half Moon Bay or BetterBlock) or permit businesses to set up awnings out front (though this may require coordination with Public Works).

January

- Items to be prioritized included vacant commercial property maintenance, flexible ground floor zoning, consideration of pedestrian zones and where to allow daycare opportunities (though the latter two may be more appropriate for the full Council)
- Annual meetings identified for both Downtown and Broadway BIDs (with the potential to coordinate a joint meeting with each), hotel owners and automobile dealers
- Minimum wage could be considered as a future priority
- Consider adding a new annual meeting with Burlingame Plaza and/or California Drive business and property owners
- Action items included a Shop Local campaign, the Talks Shop summit, the Façade Improvement Program, downtown entertainment opportunities (both Broadway and Burlingame Ave), consideration of daycare zoning, annual meetings with business associations

February

- Consider contacting property owners to display City contact information alongside a For Rent sign (to allow a prospective tenant to check zoning, steps to starting a business, etc.)
- Consider allowing for denser residential development near Broadway to alleviate small amounts of daytime foot traffic
- Restaurants are concerned about retaining workers, going so far as to note concerns with disciplinary action. There is a belief that Burlingame competes with other cities with higher minimum wages (San Francisco, San Mateo, etc.) Restaurants in general are trending towards counter service to alleviate problems with worker retention; restauranteurs assert that there is no need for a higher minimum wage ordinance as the competition with neighboring jurisdictions already necessitates it
- Retailers also struggle with worker retention and note parking difficulties for employees, who may have to take rideshares and cause additional traffic in the commercial districts
- Consider incentivizing happy hour activities to keep people in commercial districts and create a more vibrant dinnertime atmosphere
- The changing retail market is noted as traditional retail competes with online sales and seeks to shrink their square footages, which often leaves larger spaces vacant for longer
- Consider rezoning to allow office uses in the back of larger retail spaces with a minimum square footage frontage; though this may raise additional concerns with parking, community members asserted that generating commercial activity is important to preserve vibrancy
- Zoning will need to be reevaluated in the evolving retail market, including allowing for office, commercial recreation/other personal services and residential
- Consider online coordination between businesses to present a more united front (“Burlingame Black Friday”, etc.); LiveShop is one possible vendor for online marketplace coordination

March

- Consider including the Vacant Property Maintenance Checklist when distributing the Façade Improvement Pilot Program (may be too late for this)
- Explore Council adoption of an ordinance requiring vacant property maintenance, as the Checklist does not hold legal weight (and thus fines may be legally questionable)

- Vacant property maintenance is most important on Burlingame Avenue, but, should an ordinance be adopted, the language should make it clear that it applies to all commercial areas (including Broadway, Burlingame Plaza and the Bayfront)
- When notifying property owners of violations, a personalized letter should be created, including a picture of the poorly maintained property, the owner's name and a description of a properly maintained building
- Follow-up with LiveShop, an online marketplace and delivery vendor for local businesses. Their services can be used by the BIDs and the Chamber of Commerce, but the City is not allowed to be involved to avoid marketing for specific businesses/favoritism (though they and the School District can support and distribute a more general Shop Local campaign)
- Explore development of a Shop Local logo to be used for stickers and newsletter promotion (potentially the Parks and Rec Activity Brochure as well). Partner this with an online/social media campaign highlighting the fact that 70% of funds going to small businesses stay in the community
- Consider a unified approach to promoting shopping locally and ways to capture the online market (allowing in-store pickup, etc.) to encourage patronization of small business in Burlingame. Members of the public argued that there should not be a heavy focus on nationwide trends, as Burlingame residents are fairly independent in their decision-making
- Explore parking incentives to allow customers more time to browse in Broadway/additional parking for businesses affected by "the roundabout" construction
- Consider coordination between the Downtown and Broadway BIDs to develop a single brochure for all commercial districts and distribute to storefronts, hotels and shuttles. Include a shuttle map and a map of businesses (11 x 17 foldable map?). Enlist the Chamber to help with this coordination
- Encourage coordination between the BIDs and hotels to allow a more robust referral program (i.e. if a guest is looking for retail/restaurant recommendations, etc.)
- Consider conversion of parking spaces to curbside pickup/rideshare spaces, though this conversation will likely be contentious due to the loss of regular parking spaces

April

- Vacant properties are in general well maintained, but there is a desire to simplify the Maintenance Checklist (notably a requirement that prohibits covering windows entirely with images to avoid confusion of incoming tenants and allow natural lighting, but only while construction is not taking place)
- Explore contacting brokers if property owners are unresponsive to Maintenance violations
- Consider developing/contracting for development of stock images for vacant property windows to facilitate compliance

May

- Update Shop Local flyers and distribute them to businesses both physically and electronically. Consider coordination with the School District to post them as reminders to parents; consider coordination with Finance to include flyers in water bills to property owners
- Consider hiring an outside contractor to form a City-wide, cohesive Shop Local campaign to avoid current "piecemeal" practices, though Subcommittee members noted that the City should

not bear the full responsibility of promoting businesses and merchants themselves need to help as well

- Consider coordination between Downtown and Broadway BIDs for a joint Shop Local campaign and increased social media presence
- Explore implementation of a “Streets Alive” event, during which streets are shutdown to promote activities. If this takes place on Burlingame Avenue, the event can be held on Thursday evenings to coincide with the Fresh Market. Consider usage of removable astroturf/parklet seating (look into BetterBlock). Merchants have reportedly expressed interest in the idea
- Explore additional incentives to shop locally, including free parking on Saturday, or discounted/free parking for hotel guests to encourage them to explore the City/Downtown
- Burlingame Talks Shop: Consider expedited permitting process to allow businesses to open more quickly; explore allowing entertainment/commercial recreation uses in Downtown (commercial recreation is only supported by Subcommittee members on the 1400 block).
- Explore entertainment uses on City-owned land to reduce costs
- Active storefronts: Concern over whether or not “hard requirements” of a certain square footage of retail space will serve as another roadblock to interested tenants. Potentially modify the requirement to be more general and have City staff make a recommendation to the Planning Commission after working through the application process
- Consider vacant property maintenance fines on a three-strike basis, giving property owners two notices before sending Code Enforcement with a fine

June

- Consider allowing office uses on ground floor spaces of Burlingame Avenue, notably after subdividing spaces to allow retail in the front and office in the back. This topic was discussed in December and there are differing opinions as to whether there should be requirements to rent the retail portion first, or allow offices to go in first to subsidize smaller retailers. Parking requirements, benefits of office users (additional activity in existing commercial spaces at lunch, etc.), minimum retail depths (proposed 30 or 50 ft in December) alleviating chronic vacancy issues with larger spaces should be discussed when this topic again reaches the agenda.
- The changing retail market necessitates smaller retail spaces, but there is concern that this will cannibalize the market for other existing retailers on Burlingame Ave. Staff should consider attracting more active/entertainment uses (e.g. bowling alleys, music halls, etc.)
- Consider allowing housing in Downtown to spur additional commercial activity
- Consider a meeting with Burlingame Plaza business and property owners, particularly to utilize Commute.org’s matching grant of up to \$5,000 to add bike racks; due to previous difficulties in engaging with the Plaza business community, consider changing the time of the meeting to be more convenient for their schedules
- Consider coordination between Downtown and Broadway BIDs for a joint “Shop Local” campaign

July

This meeting was cancelled.

August

- Consider establishment of a Transportation Management Association (TMA) to alleviate traffic concerns along the Bayfront, as it would be more efficient to have one management company over the many independent shuttle and trolley systems currently in operation. This may be particularly helpful once Topgolf has opened. See Mountain View and Sunnyvale for examples
- Perform outreach to Bayfront property owners for Vacant Property Maintenance
- Consider using City funds for Bayfront beautification, including: removal or change from chain-link fencing and vacant property beautification. See Oakland or San Francisco for vacant property maintenance requirements
- Explore Bay Trail improvements, especially as part of sea level rise discussion
- More pronounced homeless presence in San Mateo County; police can be called to refer them to services
- Short-term rental usage is resulting in potentially a \$1M loss in TOT. This amount may increase as ADU requirements are scaled back
- Consider exempting flight crews from TOT

September

- Obtain hotel shuttle ridership statistics to determine if it would be more beneficial to offer the shuttle “on demand”, rather than a set schedule; this may help with traffic problems arising from increased ridesharing usage as well. Consider similar research on Commute.org shuttles and trolley ridership
- Perform outreach to Bayfront property owners to comply with the Vacant Property Maintenance Checklist (specifically Gulliver’s Restaurant and the property at the corner of California and Murchison), as hotel owners and Subcommittee members have expressed concerns with dilapidation in the district and potentially harming a guest’s experience
- Develop a notice to remind Bayfront property owners that they are responsible for portions of the Bay Trail that reside on their property. Consider targeted outreach after mapping out particular areas needing attention
- Continue discussion of short-term rental legislation and collecting transient occupancy tax
- Consider a City-sponsored bike sharing program; alternatively, incentivize hotel owners to offer a similar program due to current issues with scooter sharing services
- Exempting flight crews from TOT is not looked on favorably
- HOTEL OWNER FOLLOW UP EARLY 2020

October

- Ensure additional enforcement for 2 hour parking on California Drive and 72 hour commercial vehicle parking on Edwards Court
- Explore the addition of neighborhood parking permits
- Explore pop-up events on Burlingame Avenue and the Farmer’s Market sponsored by Auto Row dealers; alternatively, consider dealerships hosting events on premises

November

- Parking will be changed on Broadway to incorporate more 2 hour spaces and several more 24 minute spaces

- City staff will promote EVGo chargers using eNews
- City staff will take steps to re-educate landlords about fire sprinkler requirements
- City staff will explore the addition of stop signs or flashing crosswalk lights at the Walgreen's intersection of Broadway

December

- Create a Design Review Handout to alleviate new business' concerns over triggering Design Review, assuring them that the process is not as arduous as it may appear to be; alternatively, considering expediting the Design Review process for projects under a square footage threshold, etc.
- Gauge successfulness of Façade Improvement Program after its conclusion in March to determine if additional funding is necessary or changes to the program are required
- Discuss vacant property maintenance, particularly of empty lots. There is already a Maintenance Checklist that is mostly successful in achieving compliance after notification, but it was suggested to bring the City Attorney/Code Enforcement into the discussion as property maintenance is in their purview