

# CITY OF BURLINGAME

City Hall – 501 Primrose Road  
Burlingame, California 94010-3997



## COMMUNITY DEVELOPMENT DEPARTMENT

Economic Development Division

PH: (650) 558-7264  
FAX: (650) 696-3790

### Economic Development Subcommittee

Wednesday, May 13, 2020, 8:15 a.m.  
Zoom Conference Call

***On March 17, 2020, the Governor issued Executive Order N-29-20 suspending certain provisions of the Ralph M. Brown Act in order to allow for local legislative bodies to conduct their meetings telephonically or by other electronic means. Pursuant to the Shelter-in-Place Order issued by the San Mateo County Health Officer on March 16, 2020, the statewide Shelter-in-Place Order issued by the Governor in Executive Order N-33-20 on March 19, 2020, and the CDC's social distancing guidelines which discourage large public gatherings, Conference Room A will not be open to the public for the April 8, 2020 Burlingame Economic Development Subcommittee meeting. Members of the public may view the meeting by logging onto the Zoom meeting listed below.***

***Members of the public may provide written comments by email to [jsanfilippo@burlingame.org](mailto:jsanfilippo@burlingame.org).***

***Emailed comments should include the specific agenda item on which you are commenting, or note that your comment concerns an item that is not on the agenda. The length of the emailed comment should be commensurate with the three minutes customarily allowed for verbal comments, which is approximately 250-300 words. To ensure your comment is received and read to the Economic Development Subcommittee for the appropriate agenda item, please submit your email no later than 5:00 p.m.. on May 12, 2020. The City will make every effort to read emails received after that time, but cannot guarantee such emails will read into the record. Any emails received after the 5:00 p.m. deadline which are not read into the record will be provided to the Economic Development Subcommittee after the meeting.***

To Join Zoom meeting.

Topic: Economic Development Subcommittee Meeting- May 13, 2020

Time: May 13, 2020 08:15 AM Pacific Time (US and Canada)

## Join Zoom Meeting

<https://us02web.zoom.us/j/83288572168?pwd=dFUyS0ttR29JZS8zNnk4WINiQ2toZz09>

Meeting ID: 832 8857 2168

Password: 620261

One tap mobile

+16699006833,,83288572168#,,1#,620261# US (San Jose)

+12532158782,,83288572168#,,1#,620261# US (Tacoma)

Dial by your location

+1 669 900 6833 US (San Jose)

+1 253 215 8782 US (Tacoma)

+1 346 248 7799 US (Houston)

+1 929 436 2866 US (New York)

+1 301 715 8592 US (Germantown)

+1 312 626 6799 US (Chicago)

Meeting ID: 832 8857 2168

Password: 620261

Find your local number: <https://us02web.zoom.us/j/kc3C4P7Im4>

## Agenda

**CALL TO ORDER – 8:15 a.m.**

**READ AND APPROVE MINUTES FROM APRIL MEETING**

### **DISCUSSION ITEMS**

1. **Discussion of COVID-19 Impacts on Small Business:** Estimated revenue declines, long-term effects
2. **Future Agenda Topics:** Confirmation of future agenda topics and dates:  
To be determined
3. **Public Comments**
  - a) Idea for Burlingame Avenue Closure to Allow Additional Space for Outdoor Seating

**The Next Regular Meeting of the City Council's Economic Development Subcommittee will be held on Wednesday, June 10, 2020, at 8:15 a.m., Location TBD**



## City Council Economic Development Subcommittee

MINUTES (DRAFT)

Conference Room A

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

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### ATTENDANCE

**Members Present:** Vice Mayor Ann O'Brien Keighran, Councilmember Ricardo Ortiz

**Members Absent:** None

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

**Members of the Public Present:** John Hutar (San Mateo County/Silicon Valley Convention and Visitors' Bureau), Fattah Aydin (Embassy Suites), Lisa Kershner (Marriott), Jennifer Chen (San Mateo Economic Development), Mike McKee (DoubleTree)

### READ AND APPROVE MINUTES FROM JANUARY, FEBRUARY AND MARCH MEETINGS

Approved.

### DISCUSSION ITEMS

#### Discussion of COVID-19 Impacts on Tourism Industry

- Mr. Hutar estimated 0% occupancy for April, May, and June, 60% in July, and 70% by the end of the year, with an overall 50% decline in revenues for 2020. Occupancy rates are currently in the teens or single digits throughout the region. He noted that Burlingame (and flights to SFO) are heavily dependent on New York, Los Angeles, and Chicago for corporate travel; during this crisis, there is essentially zero demand. He also mentioned that travel sentiment is likely to be low for several months after the shelter-in-place orders are lifted, which may further exacerbate revenue declines.
- Mr. Aydin confirmed that the occupancy rates for his hotel dropped over 80%, along with an 87% decrease in revenue. He does not foresee more business until Q3 or Q4 2020. He is unsure if Embassy Suites will suspend operations.
- Mr. McKee reported his hotel is at about 25% occupancy due to crew-based demand, and as such, does not envision suspending operations. He also anticipates an uptick in demand in Q4 2020.
- Ms. Kershner explained that the SFO Marriott closed March 31 with more than 250 layoffs for hourly employees and an additional 30 furloughs of managerial staff. She is hopeful for business in August and beyond, as there seems to be an interest in postponing conferences rather than cancelling. She is unsure if the Marriott will reopen for the summer months, but anticipates less than 10% occupancy if so. She noted that their hotel is also heavily dependent on airlines and crew stays, noting that one crew can net nearly \$3-5 million for a hotel.

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- Ms. Kershner is concerned that Burlingame will lose its competitive advantage of proximity to the airport as rates drop in major nearby metros (San Francisco, Oakland, San Jose, etc.) Mr. Hutar agreed and noted that in times of similar crises (SARS, wars, etc.), demand often moved to San Francisco as this “drive market” lowered its rates. He also noted that consumer sentiment is moving towards individual cars over public transit due to health concerns, which may also exacerbate airfare declines. However, there is a general hope that because this economic spiral was so rapid, pent-up demand will lead to increased business once “normal” is established, compared to the long-term spiral of the Great Recession.
  - Councilmember Ortiz inquired why Burlingame will lose its competitive advantage. Mr. Hutar explained that downtown San Francisco becomes more attractive while it is affordable because of name recognition. Ms. Kershner noted that she anticipates a drop in meeting and conference revenues due to skepticism about having large gatherings. Mr. Aydin noted the Burlingame market typically has about 20% occupancy from crews for \$200/night. This is a huge boon for marketing to other sectors, but losing the advantage to San Francisco could disrupt this market.
  - Mr. Hutar inquired when the shelter-in-place order is expected to be lifted. CM Goldman explained that the County Health Officer is modeling for COVID-19 and speculating a peak around April 14, but there is not an expected date for a downward trend. She noted that the County has formed a long-range planning group and hired a consultant to help navigate on the other side of the crisis, but also speculates that these plans may be an iterative process rather than immediate recovery. She mentioned that there is currently sufficient medical capacity in the Bay Area, but there is general speculation that the lockdown may extend past May 3<sup>rd</sup>.
  - There was a discussion about transient occupancy tax (TOT) collection in San Francisco as there is a belief that some hotels are not charging TOT on crew nights, which reduces Burlingame’s competitive edge. Mr. McKee hopes to delay TOT payments as long as possible due to cash flow issues during the crisis. FD Augustine confirmed that the ordinance allows for deferral, and she will draft a letter to send to hotels deferring TOT collection through June. She does request that TOT revenues are reported, even if they are not collected, so the City is able to gauge the amount of money that will be arriving in later months.
  - Mr. Hutar mentioned that the shuttle to Broadway and Downtown has been suspended. He suggested a robust marketing campaign when business resumes, both to market Burlingame hotels as well as the major commercial districts. He hopes that there can be a push for local companies (particularly tech companies) to “meet local” and use Burlingame facilities for meetings, as he saw in Detroit during the Great Recession.
  - Mr. Hutar said he hopes to tap into corporate travel sentiment with Oculus (upon their arrival) and mentioned that corporate travel is essential for revenue streams. CDD Gardiner noted that construction has slowed for the Oculus project due to the shelter-in-place order and expects a one to two month delay. CM Goldman also noted that Topgolf is still coming along but is similarly delayed.
  - Ms. Kershner applauded the potential of the Bay Trail and surrounding nature amenities, but she hopes to see a restoration of some dilapidated buildings nearby. Vice Mayor O’Brien

urged hotels to market Downtown Burlingame and mentioned that the City could tour with concierges after business opens.

- Mr. Hutar inquired if there are further suggestions for marketing Burlingame. EDS Sanfilippo mentioned the DBID and Broadway BID are working on a joint brochure; Vice Mayor O'Brien suggested coordinating this project with the Chamber of Commerce. Ms. Kershner suggested digital marketing would be better for accessibility and modernity.
- Mr. Aydin mentioned a hospital had been looking for rooms in the market but they have chosen AirBnB, instead of available hotel space. He is following up to determine why this decision was made and noted that short-term rentals are a perpetual threat. CM Goldman noted San Mateo County is renting rooms as well.

#### Future Agenda Topics

- Vice Mayor O'Brien suggested changing the May meeting to small business owners, because she is curious to see how people will handle recovery going forward or what will happen if the shelter-in-place is extended. EDS Sanfilippo will forward a request to the BIDs and Chamber. Councilmember Ortiz agreed that automobile dealers should be postponed to a later month.

#### Miscellaneous Discussion

- Mr. Hutar suggested looking into tech employers in the City for a Subcommittee meeting, especially to gauge their interest in corporate events. CDD Gardiner noted Oculus has meeting space available, but the demand for overnight stays is unknown. Ms. Kershner requested any contact information from tech companies be forwarded to the hotels, as appropriate.
- The Subcommittee members approved an amendment to the Façade Improvement Program application for Pilates ProWorks, increasing the requested amount from \$9,461 to \$10,000.

#### Action Items

- EDS Sanfilippo will inquire about San Francisco, Oakland, and San Jose's TOT collection. He will contact Broadway BID and Downtown BID to gauge their progress on a new joint marketing piece. He will also notify the Chamber and the two BIDs of the Subcommittee's intention to meet with small businesses at the May 13 Subcommittee meeting. He will identify tech companies in Burlingame to gauge their interest in a Subcommittee meeting, and, if appropriate, forward their information to hoteliers.

#### FUTURE AGENDA TOPICS

- May 13, 2020- Meeting with Small Business Owners to Discuss COVID-19 Impacts

#### PUBLIC COMMENTS

There were no public comments.

**ADJOURNMENT**

Meeting adjourned at 9:20 a.m.

Respectfully submitted,

Joseph Sanfilippo  
Economic Development Specialist