



City Council Economic Development Subcommittee

MINUTES (DRAFT)

Conference Room A

City Hall, 501 Primrose Road – Burlingame, California
Wednesday, January 13, 2020 – 8:30 a.m.

ATTENDANCE

Members Present: Vice Mayor Ricardo Ortiz, Councilmember Michael Brownrigg

Members Absent: None

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

Members of the Public Present: Lisa Kershner (SFO Waterfront Marriott), Brian Cason, Kirk Syme (One Bay Plaza), Tom Sullivan, John Kevranian (President of Broadway Business Improvement District), Halland McKenna, Peter Banzhaf, Rob Albro, Chris Eldemir, Joel Butler, Andrew Davies, Andres Orphanopoulos

READ AND APPROVE MINUTES FROM NOVEMBER 13 and DECEMBER 9, 2020 MEETING

- Approved by Vice Mayor Ortiz. Councilmember Brownrigg abstained as he was not a member of the Subcommittee in 2020.

DISCUSSION ITEMS

Discussion of Amending Hotel Parking Regulations

EDS Sanfilippo introduced the topic, explaining that the initial proposal for this came from the Marriott SFO Waterfront. CDD Gardiner then summarized the current situation.

While airport parking has historically been understood by the Planning Division to be disallowed due to restrictions against commercial parking in the Bayfront zoning districts, several hotels already have a daily rate for non-guest parking. These operations have been remitting revenues to the City through a special business license tax.

CDD Gardiner requested a policy clarification from the Subcommittee to allow hotels to use surplus parking explicitly as commercial, non-guest parking, and more specifically, to allow it to be used as airport parking.

Vice Mayor Ortiz mentioned that the enforcement mechanism for ensuring that only guests are using their airport shuttles is nearly impossible to regulate; Councilmember Brownrigg agreed.

Lisa Kershner (Marriott SFO Waterfront) clarified that the hotel is seeking flexibility to offer short or long-term airport parking due to under-utilization of the Marriott's current parking lot. She offered data showing that even during peak business times, parking lot utilization is under 50%.

Vice Mayor Ortiz questioned if parking rates would be different for non-guests than hotel guests. Ms. Kershner theorized that a discount could be offered guests.

Councilmember Brownrigg supported the request, but advocated for the approval process to be conditional so that businesses using excess parking that spilled into the public of right-of-way or otherwise could be revoked. CDD Gardiner mentioned that both a Conditional Use Permit and Code Enforcement can be mechanisms to avoid using more parking than allocated, but Councilmember Brownrigg wished for a stronger mechanism to revoke permission to hotels if in violation.

Ms. Kershner noted that the parking space allocations are easily scalable due to demand. FD Augustine mentioned that long-term parking has to be controlled and charged through a special business license at a 5% tax rate.

Councilmember Brownrigg and Vice Mayor Ortiz both consented to allowing these uses through the current process.

Discussion Regarding Allowing Life Sciences and Office Uses on Properties Fronting Old Bayshore Highway

EDS Sanfilippo introduced the topic, explaining that City had received three inquiries from interested businesses to explore life sciences or office uses in the Innovation/Industrial (I/I) District.

CDD Gardiner presented background information on the zoning district, explaining that a floor area ratio (FAR) in the Innovation/Industrial (I/I) District had been established to preserve industrial uses.

Many of the current requests concern amending the FAR in the district (0.75) for life sciences and office uses to be at a greater FAR. Given the waning demand for hotel development and a robust life sciences market in San Mateo County, the interested parties believe that these uses will more accurately reflect current market demand.

CDD Gardiner requested direction from the Subcommittee for staff to either bring this item to Council or incorporate into the ongoing zoning code update.

Vice Mayor Ortiz and Councilmember Brownrigg both expressed provisional support for the initiative.

Councilmember Brownrigg mentioned that hotel development could be more lucrative for the City in the long run, but Vice Mayor Ortiz countered that life sciences uses could draw more business to already existing hotels. CDD Gardiner asserted that staff is comfortable with the change, provided it would not overdevelop the Bayfront per the General Plan.

Andrew Davies, a previous proposer of a hotel project, noted his company pivoted to life sciences due to market demand. Kirk Syme (One Bay Plaza) advocated for life sciences and office uses, citing ripe opportunity to redevelop some of the older buildings in the region.

CDD Gardiner mentioned that the proposed change to the FAR can likely proceed using the General Plan Environmental Impact Report (EIR), provided the total amount of development within the

Bayfront as a whole remains below the amount studied in the EIR. He believes there is sufficient capacity in the buildout studied in the EIR to allow the proposed change in FAR. Peter Banzhaf (another interested party) queried if greater density would be allowed in the I/I district. CDD Gardiner noted that while life science uses are currently allowed, the current request up for discussion is for a greater FAR in the district.

The Subcommittee was divided regarding amending the FAR; Councilmember Brownrigg requested a calculation of potential revenues from the uses before committing to matching the 3.0 FAR currently allowed for hotels, while Vice Mayor Ortiz wanted an advantage for hotel development (e.g. leave hotel development at 3.0 FAR, increase life sciences from 0.75 to something less than 3).

Ms. Kershner supported any development in the area to give guests something more attractive to do. CDD Gardiner summarized the discussion as support for the concept, though FAR is still in question. A potential compromise would be setting the FAR to 2.0 for other uses, 3.0 maximum for hotels.

This item will be brought back to the full City Council in the future.

Discussion of Agenda Topics for 2021

EDS Sanfilippo introduced the topic, noting that many of the months pre-pandemic had been scheduled for annual meetings with prominent business districts and business sectors in the city.

These included: the Downtown Business Improvement District (DBID), the Broadway Business Improvement District (BID), the hoteliers, and auto dealers.

Subcommittee meetings have been scheduled on a rolling basis since the start of the pandemic, but the Subcommittee members laid out several topics for future meetings:

- Discussion with restaurateurs across the city to gauge how they are faring, any strategies they are using, and how the City can help
- Discussion with property owners at Burlingame Plaza to gauge if they would be interested in redeveloping the area
- Discussion with property owners abutting the Oculus campus to inquire if they would be interested in redeveloping their sites
- General meeting with local property owners and developers to hear their ideas about redevelopment in Burlingame. Vice Mayor Ortiz mentioned that he could facilitate an introduction to John Britton, who has ownership both within Burlingame Plaza as well as elsewhere in Burlingame

Miscellaneous Discussion

Councilmember Brownrigg reported he had recently spoken with Topgolf representatives, who are targeting a groundbreaking at the end of 2021 and a full opening in late 2022.

CDD Gardiner noted that the Subcommittee schedule can vary based on Subcommittee members' availability, but both agreed to the current time of 8:15 a.m. on the second Wednesday of each month.

Action Items

- EDS Sanfilippo/FD Augustine calculation estimates for I/I district: Will examine existing revenue from current buildings (property tax), prospective income to City from a hotel development, prospective revenue to City from a life science or office development
- EDS Sanfilippo will contact the DBID, Broadway BID, and Chamber of Commerce to invite restaurant members to attend the February 10 Economic Development Subcommittee meeting

FUTURE AGENDA TOPICS

- February 10, 2020 – Discussion with restaurateurs across the City to gauge how they are faring, any strategies they are using, and how the City can help

PUBLIC COMMENTS

There were no further public comments.

ADJOURNMENT

Meeting adjourned at 9:28 a.m.

Respectfully submitted,

Joseph Sanfilippo
Economic Development Specialist