



City Council Economic Development Subcommittee

MINUTES (DRAFT)

Conference Room A

City Hall, 501 Primrose Road – Burlingame, California
Wednesday, April 14, 2021 – 8:15 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, Parks & Recreation Director (PRD) Margaret Glomstad, Finance Director (FD) Carol Augustine

Members of the Public Present: Ron Karp, Kirk Syme, Riyad Salma

READ AND APPROVE MINUTES FROM MARCH 10, 2021 MEETING

- Approved.

DISCUSSION ITEMS

Discussion with Property Owners and Landlords

EDS Sanfilippo introduced the topic, followed by Mr. Karp sharing some of his thoughts as a broker in the city. He has noticed a general uptick in inquiries and activity to fill vacancies in Downtown. He commended the City staff and the Downtown Specific Plan

CM Goldman asked about office inquiries, notably as articles speculate companies may no longer need as much office space. Mr. Karp cited his experience with one particular group that is downsizing its space and planning to rotate staff members depending on the day. A different group is upsizing to provide greater social distancing for their staff. While the market is not as robust, there is momentum in office.

Mr. Karp noted that many long-term retail tenants are requesting shorter lease term renewals (e.g. a 10-year tenant is requesting a 5-year renewal).

Vice Mayor Ortiz questioned how lease rates are changing. Mr. Karp noted that some landlords or property owners are offering reductions to attempt to help long-term tenants, though, in general, he asserted that rates were down across the board.

Mr. Syme offered his perspective on several Bayfront properties. He cited recent tenant improvements in his property (additional amenities, etc.) as successful in attracting new tenants.

He also expanded on an ongoing request for a zoning amendment to allow health services on the first

floor in the Howard Mixed Use (HMU) zone. This was recently discussed at the April 12 Planning Commission meeting, where Mr. Syme felt tentative support expressed for the initiative. However, the Planning Commission requested that a Conditional Use Permit (CUP) be required for health services on the first floor in the HMU zone, so Mr. Syme plans to include a CUP application with the zoning amendment at a future Planning Commission meeting. Mr. Karp expressed his support for this type of use as well.

Councilmember Brownrigg noted that health services and banks are typically not seen as generators of pedestrian traffic. However, he believes that the widening of Burlingame Avenue sidewalks and the upcoming Town Square project lend themselves to a pedestrian-friendly Downtown. He inquired if other property owners would be in support of these use changes, and if the distinction for the Burlingame Avenue Commercial (BAC) zoning district to exclude health services, banks, etc. was still relevant.

Mr. Salma asserted that both health services and banks are changing how they present themselves to the public, often occupying smaller spaces and not serving as a negative impact.

Vice Mayor Ortiz expressed a concern with allowing the alternative uses on Burlingame Avenue which Mr. Karp supported. Councilmember Brownrigg agreed that health services and banks are not ideal for Burlingame Avenue, but his impression of the Downtown Specific Plan highlighted the Town Square as a central point for the City, to possibly move away from the “prestige” of one street dedicated to solely retail. He noted that the retail landscape is changing and demand is weaker, so sales tax reliance on the Downtown core may not be possible in the future.

Vice Mayor Ortiz acknowledged that the City has made several strides in allowing alternative uses in formerly retail spaces already, in allowing commercial recreation, etc.

CDD Gardiner raised the topic of zoning amendments, as the general goal is to allow more uses as a permitted use without requiring a CUP to allow businesses to have more certainty in their project timelines. However, the Planning Commission raised concerns with not knowing what would occur in potential commercial recreation or health services uses given the variety of each type, which is why they requested CUPs.

CDD Gardiner also noted that regulations for controlling tenant mix through zoning (particularly for restaurants) is rather complicated, and there is a desire to allow food establishments as an outright permitted use to encourage additional businesses.

Councilmember Brownrigg questioned if there was a way to regulate fast food businesses more stringently than other restaurants, should a simplification of zoning occur. CDD Gardiner speculated that market rents and the customer base would not support those uses anyway, which Mr. Karp supported. Mr. Syme theorized that if rents continue to decrease, side street tenants may want to relocate to Burlingame Avenue, rather than attracting fast food tenants.

Miscellaneous Discussion

Mr. Syme inquired how long parklets would be supported, and if sales receipts would be consulted to

determine their success. CM Goldman informed him that parklets will be allowed at least until Labor Day and that extending beyond Labor Day will be discussed at the August 17 City Council meeting. CM Goldman noted that if parklets continue past Labor Day, then the City will discuss eventually charge for their use to recoup lost parking revenue. She noted that the City is not tracking revenue, though the program has anecdotally been very successful and will likely continue for quite some time.

Mr. Syme expressed his support for parklets, as the outdoor bustle feeds into a lively atmosphere. Vice Mayor Ortiz shared a similar opinion, and indicated potential interest in another Burlingame Avenue closure in the future. CM Goldman noted that retailers were concerned with a lack of parking during the previous closure. While the new parking structure will be open soon, changes will have to be made to the program given the existence of parklets and how this may further reduce parking during a closure.

Councilmember Brownrigg questioned how parklet fees would be calculated, with CM Goldman offering some potential calculations. Councilmember Brownrigg requested EDS Sanfilippo examine several different scenarios of how these could be charged and invite restaurants to attend and offer their thoughts. CDD Gardiner suggested examining other cities with permanent parklet programs (Mountain View, San Francisco, etc.) as a starting point for the discussion.

Councilmember Brownrigg asked if there was a commercial vision in the Rollins Road Specific Plan, and requested that this be scheduled for a future discussion. CDD Gardiner mentioned that the Plan did not have an economic development component, though he has discussed it with the consultant working on the plan, and a market study is possible near the end of the plan.

Action Items

- EDS Sanfilippo will look into parklet fees and invite restaurants to the May 12 meeting

FUTURE AGENDA TOPICS

- May 12, 2021- Parklet fee discussion, update on Topgolf

PUBLIC COMMENTS

There were no further public comments.

ADJOURNMENT

Meeting adjourned at 9:10 a.m.

Respectfully submitted,

Joseph Sanfilippo
Economic Development Specialist