



## City Council Economic Development Subcommittee

MINUTES (DRAFT)

Via Zoom

Wednesday, September 8, 2021 – 8:15 a.m.

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### **ATTENDANCE**

**Members Present:** Vice Mayor Ricardo Ortiz, Councilmember Michael Brownrigg

**Members Absent:** None

**Staff Present:** City Manager (CM) Lisa Goldman, Community Development Director (CDD) Kevin Gardiner, Parks & Recreation Director (PRD) Margaret Glomstad, Finance Director (FD) Helen Yu-Scott

**Members of the Public Present:** John Hutar (President & CEO of San Mateo County/Silicon Valley Convention & Visitors Bureau (SMCCVB), Mike McKee (DoubleTree), Fettah Aydin (Embassy Suites), Lisa Kershner (Marriott SFO), Kevin Kretsch (Hyatt SFO), Peter Yen

### **READ AND APPROVE MINUTES FROM JULY 14, 2021 MEETING**

- Approved.

### **DISCUSSION ITEMS**

#### Discussion with Hoteliers

CDD Gardiner introduced the topic, followed by a tourism update presentation from John Hutar.

Mr. Hutar explained that hotel occupancy had recovered to 61% of 2019 occupancy by July 2021, along with increasing (but muted) room rates. This recovery was notably different than pre-pandemic years, as most trips were driven by leisure and not business travel. The Burlingame/Millbrae/SFO area achieved 57.5% occupancy, behind other locations in the County, particularly on the coast.

The Delta variant of COVID-19 reduced demand, though other factors slowed the recovery as well (namely related to large employers postponing, cancelling or reducing in-person office returns and events). The SMCCVB marketing campaign for leisure travel was successful, despite some demand waning as a result of school openings.

Councilmember Brownrigg asked if the SMCCVB would like additional marketing material from the City. Mr. Hutar replied that they often get great information from Georgette Naylor at the Chamber of Commerce, though Councilmember Brownrigg suggested that the City could provide some material in the future.

Mr. Hutar continued to describe the forecast for the travel industry, roughly anticipated to recover by 2025. He noted that it is difficult to analyze when travel may recover due to constantly changing health

precautions and directives. There is still strong demand for virtual meetings based on SMCCVB research.

Ms. Kershner described several issues with homeless individuals in her hotel's vicinity. Mr. Kretsch expanded on this to note some recent criminal activity, and Mr. Aydin commended the Police Department for their help throughout the pandemic. All agreed with the travel forecast, noting that revenue is down substantially. Many applauded the recent Bayfront beautification initiatives and noted their commitment to remaining in Burlingame.

Councilmember Brownrigg mentioned the progress on the Topgolf project and highlighted it as a major attraction after its anticipated opening in 12-15 months. A new development proposal on the site of the former Hyatt Cinema will include landscaping to complete a significant segment of the Bay Trail. Councilmember Brownrigg hoped the City could negotiate to have the Trail completed prior to the rest of the project. Vice Mayor Ortiz agreed that prioritizing the Bay Trail portion would be key. CDD Gardiner also noted that the Town Square could also break ground as soon as 2023.

Ms. Kershner suggested implementing bike lanes from the Bayfront to Broadway and Downtown or art piece installations to attract additional leisure travel.

#### Preliminary Discussion of Parklet Fees

CDD Gardiner introduced the topic, explaining that the primary goal of the discussion was to have the Subcommittee vet the proposal prior to returning to Council. He presented a brief summary of parklets as they stand in Burlingame, some research on parklet fees, and a proposed fee structure.

A tentative Burlingame rent and fee structure would collect encroachment and building permit fees, fees to cover sidewalk cleaning (estimated to currently cost the city \$200-300 per parklet), plus some amount of rent (as determined by City Council). The rent calculation presented did not include recovery of lost parking revenue, though it can be considered in the future if desired.

Councilmember Brownrigg wanted to formulate an overall objective for long-term parklet support to indicate a commitment. Vice Mayor Ortiz mentioned his fear of underutilized parklets, highlighting his desire to discourage parklets with little use or investment by implementing a reasonably high charge. They both agreed that the City should recapture the funds from the extra square footage that parklets grant a business.

Using the City of Mountain View's Sidewalk Café Program as a sample, which has rent charges for both sidewalk square footage used as well as the parking stall space, there was little support for charging additional rent for sidewalk space used (beyond that captured by an encroachment permit). The Subcommittee focused solely on rent for a fixed parking space used for a parklet.

CM Goldman noted that differences between the number of spaces utilized can depend on if a business is on a street with angled or parallel parking, even though parklets may occupy roughly the same square footage. CDD Gardiner mentioned that the two types of spaces could be charged differently, after deciding a rate per square foot and the square footage of parklets for both types of

spaces.

CM Goldman cautioned that at this time, the parklet program is still only temporary, through Labor Day 2022. There is no commitment by the City Council to a long-term program at this time.

Peter Yen suggested getting an approximate average annual revenue generated by metered parking to use as a baseline for a rent for each parking space.

CDD Gardiner mentioned several partners that may offer useful insight, including: the San Mateo County Economic Development Association (SAMCEDA); an economic consultant (possibly Economic & Planning Solutions (EPS)); the former Mountain View Economic Development Director, or others. He also suggested making a discussion of parklet rents a recurring item to help staff and the Subcommittee feel better prepared when bringing a program to the full City Council.

### **Miscellaneous Discussion**

CDD Gardiner discussed an upcoming life sciences project near the Bayfront, to be submitted this fall, which the hoteliers indicated support for due to increased business travel demand.

### **Action Items**

- CDD Gardiner and EDS Sanfilippo will contact the developer of the proposed project at the former Hyatt Cinema site to advocate for the Bay Trail portion of the project being completed first
- Staff will determine a typical square footage of a parklet for both parallel and angled parking
- Vice Mayor Ortiz and Councilmember Brownrigg will recommend at an upcoming Council meeting that the topic of delivery service fees be placed on the list of future agenda items.

### **FUTURE AGENDA TOPICS**

Due to scheduling commitments, the meeting was adjourned prior to the Future Agenda Topics item.

### **PUBLIC COMMENTS**

There were no further public comments.

### **ADJOURNMENT**

Meeting adjourned at 9:30 a.m.

Respectfully submitted,

Joseph Sanfilippo

Economic Development & Housing  
Specialist