Economic Development Subcommittee Meeting

Wednesday, January 13, 2021, 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 January 13, 2021 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.

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 January 12, 2021. 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.

Topic: Economic Development Subcommittee Meeting
Time: Jan 13, 2021 08:15 AM Pacific Time (US and Canada)

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Agenda

CALL TO ORDER – 8:15 a.m.

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

DISCUSSION ITEMS

  1. Discussion of Amending Airport Hotel Parking Regulations

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

  3. Discussion of Agenda Topics for 2021

Public Comments

The next regular meeting of the City Council’s Economic Development Subcommittee will be held on February 10, 2021, via Zoom
To: Honorable Mayor and City Council

Date: January 13, 2021

From: Joseph Sanfilippo, Economic Development & Housing Specialist – (650) 558-7264

Subject: Discussion of Amending Airport Hotel Parking Regulations

BACKGROUND

In June 2017, the City Council’s Economic Development Subcommittee conducted a periodic check-in with the local hotel general managers. As part of the discussion, the managers encouraged the City to conduct a review of the parking requirements for hotels due to underutilization of their existing parking facilities. Data provided at that time showed that some of the hotels had as much as 20% of on-site parking being unused on a regular basis and that in some instances, the percentage of unused parking spaces was greater.

Managers cited three influencing factors: the popularity of ride-share services such as Lyft and Uber, the high use of hotel shuttles by guests, and the use of hotels in Burlingame as lodging for flight crews. Ride-share services and the availability of hotel shuttles are affordable alternatives to renting a car, particularly given the close proximity to the San Francisco International Airport (SFO). Furthermore, flight crews use shuttles for transport to and from the hotels.

On July 3, 2017, the City Council directed staff and the Planning Commission to proceed with a review and potential modification of parking requirements for hotel uses. On August 27, 2018, the Planning Commission recommended approval of an ordinance that would allow a reduction in the number of parking spaces required for a particular hotel with a Conditional Use Permit, provided the reduction would be supported with a parking demand study.

The City Council adopted the ordinance on October 1, 2018, and the regulations can be found in Municipal Code Section 25.70.034. The base requirement remains one parking space for every hotel or motel room, but a parking reduction can be approved with a Conditional Use Permit provided:

a. There are special conditions, including but not limited to, proximity to frequent transit service; transportation characteristics of persons residing, working, or visiting the site; or because the applicant has undertaken a transportation demand management program—exist that will reduce parking demand at the site;

b. The use will adequately be served by the proposed on-site parking; and

c. Parking demand generated by the project will not exceed the capacity of or have a detrimental impact on the supply of on-street parking in the surrounding area.
d. A parking demand study has been provided to evaluate a proposed project’s compliance with the above criteria and the basis for granting a reduced number of spaces.

DISCUSSION

In December 2020, the General Manager for the San Francisco Airport Marriott Waterfront approached staff to determine if the hotel could use a portion of their underutilized parking for non-guest commercial airport parking.

While the Shoreline Zoning District (SL) allows hotels to have park-and-fly programs as a conditional use (Municipal Code Section 25.45.025(b)), commercial non-guest parking is currently prohibited in the Shoreline (SL) zoning district. Existing airport parking uses in the Bayfront approved prior to the prohibition have been allowed to continue to operate through Conditional Use Permits, but new commercial parking operations are not allowed.

Staff requests that the Economic Development Subcommittee discuss the request and determine its interest in amending the Zoning Code to allow commercial, non-guest parking uses in the Shoreline Zoning District. Should the Subcommittee be amenable to this change, then the matter can be brought to the Planning Commission and full City Council.

FISCAL IMPACT

The unutilized parking spaces identified in the survey do not generate revenue. Depending on how hotels would repurpose existing utilized spaces, new revenues may be generated through business license taxes on commercial parking.
To: Economic Development Subcommittee

Date: January 13, 2021

From: Kevin Gardiner, Community Development Director – (650) 558-7253

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

BACKGROUND


The General Plan includes the Innovation Industrial Land Use District, which is intended to accommodate light industrial and logistics uses, with complementary commercial businesses. Permitted uses include commercial and light industrial uses, creative industry businesses, design businesses, limited indoor sports and recreation, and wholesale uses. The maximum Floor Area Ratio (FAR) for the district is 0.75 FAR.

For properties with frontage on Old Bayshore Highway, hospitality/hotel uses with an FAR of up to 3.0 are also allowed. Figure 1 (attached) illustrates the properties with frontage on Old Bayshore Highway.

Recently, staff has been approached by three different parties inquiring whether the City would consider allowing life sciences or office/research & development (R&D) uses with an FAR greater than 0.75 on properties fronting Old Bayshore Highway in the Innovation/Industrial zoning district. Currently, properties fronting Old Bayshore Highway are allowed to have commercial and industrial uses up to 0.75 FAR, or hotels up to 3.0 FAR. Life science and office uses with an FAR up to 3.0 are allowed on the other side of Old Bayshore Highway, adjacent to the water, as those properties are within the Bayfront Commercial land use district.

DISCUSSION

Given that three different parties have made inquiries, and that market interest in life sciences and office uses in Burlingame seems to be increasing while interest in hotel development is waning, staff suggests that the Economic Development Subcommittee discuss the requests and determine its interest in allowing these uses at these higher intensities. Should the Subcommittee be amenable to such a change, then the matter can be brought to the Planning Commission and full City Council for further discussion.
FIGURE 1: PROPERTIES WITH FRONTAGE ON OLD BAYSHORE HIGHWAY

Properties Fronting Old Bayshore Highway
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, Deputy Director of Public Works Operation (DDPWO) Rob Mallick, Streets, Storm Drains & Sewer Division Manager (SSDSDM) Michael Heathcote, Public Works Director (PWD) Syed Murtuza, Senior Civil Engineer (SCE) Andrew Wong

Members of the Public Present: John Kevranian (Broadway Business Improvement District), Georgette Naylor (Burlingame SFO/Chamber of Commerce), Riyad Salma

READ AND APPROVE MINUTES FROM OCTOBER 14 MEETING

- Approved.

DISCUSSION ITEMS

Discussion of Free Parking in Commercial Districts, Limited to Particular Days
EDS Sanfilippo introduced the topic, noting that this idea was mentioned by John Kevranian (President of Broadway BID) at the previous Subcommittee meeting.

Citing ongoing competition with online shopping, Mr. Kevranian suggested that reducing or waiving parking fees during the holiday season may be helpful.

Councilmember Ortiz noted that free parking had been offered in previous months, and questioned if the switch to charged parking changed the number of customers visiting the business district. Mr. Kevranian noted that City parking lots have had plenty of capacity after the change.

The Subcommittee recommended that the full Council consider offering free parking on Saturdays between December 12 and January 2 in all City parking lots and metered street spaces in the Burlingame Avenue and Broadway commercial districts. Should the full City Council approve the change, then staff will deploy changeable message signs to alert people to the change.

Councilmember Ortiz advocated for the BIDs and Chamber to promote this initiative, and Vice Mayor O’Brien mentioned that this could be posted in the eNews as well.

Discussion of Broadway Closure
EDS Sanfilippo introduced the topic, citing survey results from the Broadway BID Board and merchants on the 1100 block of Broadway. In total, there were 10 votes to reopen Broadway, and four to continue the closure.

CM Goldman noted that during previous discussion of this item, there had been concern with parklets due to the potential loss of street parking. Vice Mayor O’Brien noted that the Burlingame Avenue parklets have been successful. As Broadway parking lots are generally not full, incorporating parklets into the street may create additional demand for the lots.

Councilmember Ortiz questioned if there were any lessons learned from Burlingame Avenue that could be helpful on Broadway, but supported a transition to parklets.

PWD Murtuza noted that the parklets have been successful, but he cited several issues with social distancing and a lack of face coverings. In addition, some structures that have been built out into the parklets have caused damage to the street.

CM Goldman mentioned that the recently formed San Mateo County COVID-19 compliance team can be asked to visit businesses that are violating the rules. Vice Mayor O’Brien noted that this initiative is primarily educative, but can be punitive for repeat violators.

Vice Mayor O’Brien wondered if there are several common contractors that restaurants are using to build out their parklets. If there are, then staff could mail the contractors guidelines in case they are chosen to build out structures on Broadway. PWD Murtuza noted that the guidelines are included in the initial encroachment permit application packet.

PWD Murtuza asked Mr. Kevranian if there is an estimate for the number of businesses interested in parklets. Mr. Kevranian estimated that several larger restaurants will be interested, but likely not more than five. SDSDM Heathcote noted that there are approximately 50 remaining barriers that could likely accommodate Broadway.

Mr. Kevranian asked when Broadway would open at the earliest. CM Goldman said that the full City Council will have to deliberate on the parklet option at the December 7 meeting.

CM Goldman mentioned that Burlingame Avenue parklets are required to be in operation for a minimum of three days a week. She encouraged Mr. Kevranian to emphasize this point when gathering preliminary interest from his membership, preferably to have the merchants prepared to proceed after December 7.

SCE Wong noted that parklets on streets with parallel parking take up two spaces, while parklets on streets with angled parking use three spaces. Based on Mr. Kevranian’s estimate of five businesses requesting parklets, about 15 parking spaces would be lost on the Broadway thoroughfare.

**Future Agenda Topics**

The Subcommittee again expressed interest in meeting with hoteliers.
Pending coordination with the San Mateo County COVID-19 compliance team, the Subcommittee would like to meet and discuss how well Burlingame Avenue is following guidelines.

**Miscellaneous Discussion**

The Subcommittee and staff discussed parklets being built out to a degree in which they resemble enclosures. While structures must maintain openings on three sides to be considered compliant, CM Goldman noted that the County compliance team will have to help with enforcement.

**Action Items**

- Public Works staff will develop two staff reports to go to City Council at the December 7 meeting: one to transition to parklets at the earliest opportunity on Broadway per the Subcommittee’s recommendation, and one to establish free parking on particular days in commercial districts. These may be combined into one report.
- EDS Sanfilippo will contact John Hutar of the San Mateo Convention and Visitors Bureau (SMCCVB) to coordinate for the December 9 meeting.
- CM Goldman will contact Jim Ford of the San Mateo County COVID-19 compliance team

**FUTURE AGENDA TOPICS**

- December 9, 2020 - Meeting with hoteliers, check-in with San Mateo County COVID-19 compliance team

**PUBLIC COMMENTS**

There were no further public comments.

**ADJOURNMENT**

Meeting adjourned at 8:57 a.m.

Respectfully submitted,

Joseph Sanfilippo
Economic Development Specialist
ATTENDANCE

Members Present: Vice Mayor Ann O’Brien Keighran

Members Absent: Councilmember Ricardo Ortiz

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

Members of the Public Present: John Hutar (President & CEO, San Mateo County/Silicon Valley Convention and Visitors Bureau (SMCCVB)), Mike McKee (DoubleTree), Kevin Kretsch (Hyatt Regency SFO), Lisa Kershner (SFO Waterfront Marriott), Fettah Aydin (Embassy Suites), Jim Ford (San Mateo County COVID-19 Compliance Team), Jenny Kelleher (President of Downtown Business Improvement District (DBID)), Georgette Naylor (Burlingame/SFO Chamber of Commerce)

READ AND APPROVE MINUTES FROM NOVEMBER 13, 2020 MEETING

- Continued to the next meeting due to lack of quorum.

DISCUSSION ITEMS

Check-In Discussion with Hoteliers

EDS Sanfilippo introduced the topic, followed by a presentation on market performance figures from John Hutar (President & CEO, San Mateo County/Silicon Valley Convention and Visitors Bureau (SMCCVB)).

April 2020 was the lowest market point in the pandemic, and while occupancy and rates remained low in more recent months, August 2020 was the peak performance. There has since been a slight decline downward in occupancy and revenue, through October results (about 35.3% occupancy for Burlingame/Millbrae/SFO in that month, 43.2% YTD).

The coastside of San Mateo County performed well through the summer and fall, but the Brisbane and South San Francisco markets are performing better now. Hotels with fewer amenities and those offering budget options are anecdotaly more popular than full-service hotels, which make up the majority of Burlingame’s hotels.

The number of rooms closed throughout the County has decreased from 20% in April to 6% in October. Occupancy rates in the San Francisco Bay Area are anticipated to recover by 2024 and average daily rates (ADR) by 2025.

Mr. Hutar offered an update on the broader tourism industry, noting that the City’s letter to the
Governor’s office to allow meetings of up to 50 persons was appreciated, but unfortunately the State did not adopt this recommendation in the face of rising cases.

He noted that bicycle programs are desired for hotels, but obtaining a vendor is more challenging than expected.

Mr. Hutar said that attracting leisure travel has recently been difficult, and there is a challenge with homeless individuals coming to the Bayfront from the Millbrae BART station. While the County has been helpful in referring individuals to services, many of them are reportedly service-resistant. The SMCCVB has spoken to Supervisor Pine about this issue, and is hoping to connect with Supervisor Slocum as well.

Lisa Kershner (Marriott SFO) noted that Jeff Kiernan (County Health) has assisted the hoteliers contend with the challenges of homeless individuals coming into the hotels. CM Goldman mentioned that the hoteliers can always call the Police Department to connect them with the County Homeless Outreach Team.

Vice Mayor O’Brien Keighran said that she will email Supervisor Slocum’s Chief of Staff for the Homeless Summit anticipated for Q1 2021 to help the SMCCVB connect with them.

Mr. Hutar noted that many hoteliers are unsure how to fulfill the Cal/OSHA reporting requirements to the County.

CM Goldman said that the City has reported several infections to the County, though they had been infected outside of work; she will check the process and follow up with the SMCCVB. She noted that the State’s OSHA guidelines seem to be in conflict with Federal OSHA standards, leading to confusion as well.

Kevin Kretsch (SFO) noted that new travel restrictions have led to a drop in demand and cancellations, which will mean a grim picture for the coming months. He cautioned that the rate decreases will be particularly worrisome for City revenues.

Mr. McKee, Fettah Aydin (Embassy Suites), and Ms. Kershner all agreed that the occupancy and daily rate will continue to decrease; Ms. Kershner noted that many hoteliers are considering temporarily closing in nearby markets, and any competitive advantage the City may be able to offer would be appreciated. Mr. Aydin mentioned that airline crew reductions and fewer flights would also cause a drop in occupancy.

CM Goldman noted that Vice Mayor O’Brien Keighran asked for information about TOT rates in other cities as Burlingame’s 12% could provide a competitive advantage for Burlingame hotels.

CM Goldman noted that in summer 2021, the City Council will likely discuss potential tax increases that could go to voters in November 2022, though she does not think that the Council will be inclined to increase the TOT rate given the difficulties facing the hotel industry.

Check-In Discussion with San Mateo County COVID-19 Compliance Team
CM Goldman introduced the topic. Jim Ford (San Mateo County COVID-19 Compliance Team) noted that County Manager Mike Callagy hired several staff to establish a compliance team and check on complaints filed online. Mr. Ford mentioned that the team’s primary goal is to educate businesses on what is allowed. For those that continue to disregard regulations, the County can issue administrative citations.

Mr. Hutar questioned if businesses building out parklets are compliant with State guidelines, as many seem to be rather enclosed.

CM Goldman noted her previous request to Mr. Ford to check for compliance on and around Burlingame Avenue; Mr. Ford confirmed that those currently in place are all compliant.

Mr. Ford reiterated that outdoor dining compliance is the primary concern currently, noting that the State mandates 50% airflow for outdoor dining structures. Mr. Hutar offered an opportunity for Mr. Ford to provide a presentation to the SMCCVB to help educate the bureau and their partners.

Mr. Ford noted that some employees have complained about their own employers, though citations are rare due to the education-based nature of the team.

Vice Mayor O’Brien Keighran wondered if the compliance team has received complaints about Burlingame specifically, and Mr. Ford confirmed that he will provide the statistics to CM Goldman. Vice Mayor O’Brien hoped to promote the existence of the compliance team in our eNews and on Nextdoor to increase consumer confidence.

**Future Agenda Topics**

To be determined upon Subcommittee rotation

**Miscellaneous Discussion**

Mr. Hutar queried when the City anticipates the Bay Area mega-region to be placed on lockdown. CM Goldman noted that the County still has 25% ICU capacity. Since San Mateo County is one of the only Bay Area counties open, it may attract citizens from other counties or otherwise face shrinking ICU capacity due to out-of-county patient transfers.

Vice Mayor O’Brien Keighran advised that health care workers will be getting vaccinations beginning next week.

Mr. Hutar said that food service workers are reportedly designated as 2\textsuperscript{nd} round vaccine receivers, but hotel housekeeping staff are not. He hoped there would be a way to advocate for their inclusion. Vice Mayor O’Brien Keighran noted that she will find out what the County’s interpretation on the rounds of vaccinations would be in this case.

**Action Items**
• CM Goldman will email John Hutar at the SMCCVB information related to Cal/OSHA County reporting requirements.

FUTURE AGENDA TOPICS

• January 13, 2020 – To be determined

PUBLIC COMMENTS

There were no further public comments.

ADJOURNMENT

Meeting adjourned at 9:08 a.m.

Respectfully submitted,

Joseph Sanfilippo
Economic Development Specialist