

CITY OF BURLINGAME

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



COMMUNITY DEVELOPMENT DEPARTMENT

Economic Development Division

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Economic Development Subcommittee Special Meeting

Wednesday, November 10, 2021, 8:15 a.m.
Zoom Conference Call

On September 16, 2021, Governor Newsom signed into law AB 361, which allows a local agency to meet remotely when:

1. The local agency holds a meeting during a declared state of emergency
2. State or local health officials have imposed or recommended measures to promote social distancing
3. Legislative bodies declare the need to meet remotely due to present imminent risks to the health or safety of attendees

On October 18, 2021, the City Council adopted Resolution Number 128-2021 stating that the City Council and Commissions will continue to meet remotely for at least thirty days for the following reasons:

1. There is still under a local state of emergency
2. County Health Orders require that all individuals in public spaces maintain social distancing and wear masks
3. The City can't maintain social distancing requirements for the public, staff, Councilmembers, and Commissioners in their meeting spaces.

Pursuant to Resolution Number 128-2021, **Conference Room A will not be open to the public for the November 10, 2021 Economic Development Subcommittee Meeting.**

Topic: Economic Development Subcommittee Meeting

Time: Nov 10, 2021 08:15 AM Pacific Time (US and Canada)

Join Zoom Meeting

<https://us02web.zoom.us/j/82436300772?pwd=NWNLV2VBM3pBVjRxTkJqa1UvVXRmUT09>

Meeting ID: 824 3630 0772

Passcode: 173776

One tap mobile

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Meeting ID: 824 3630 0772
Passcode: 173776
Find your local number: <https://us02web.zoom.us/j/82436300772>

Agenda

CALL TO ORDER – 8:15 a.m.

READ AND APPROVE MINUTES FROM SEPTEMBER 8 AND OCTOBER 13, 2021 MEETING

DISCUSSION ITEMS

1. Continued Discussion of Parklet Fees and Rents
2. Future Agenda Items

Public Comments

The next regular meeting of the City Council's Economic Development Subcommittee will be held on December 8, 2021, via Zoom



City Council Economic Development Subcommittee

MINUTES (DRAFT)

Via Zoom

Wednesday, September 8, 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, 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



City Council Economic Development Subcommittee

MINUTES (DRAFT)

Via Zoom

Wednesday, October 13, 2021 – 8:15 a.m.

ATTENDANCE

Members Present: Councilmember Michael Brownrigg

Members Absent: Vice Mayor Ricardo Ortiz

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, Economic Development & Housing Specialist (EDS) Joseph Sanfilippo

Members of the Public Present: Matt Kircher (CBRE), Meaghan Post (CBRE), Claude Perasso (220 Primrose Rd Trust), John Kevranian (President of the Broadway Business Improvement District (BID))

READ AND APPROVE MINUTES FROM SEPTEMBER 8, 2021 MEETING

- Continued to next meeting due to lack of quorum.

DISCUSSION ITEMS

Discussion of Alternative Uses Downtown

EDS Sanfilippo introduced the topic. Following up from previous conversations concerning the proposed medical use at 220 Primrose Road, staff was seeking continued input from the Subcommittee for their thoughts on regarding accommodating alternative uses Downtown for larger footprint spaces. 220 Primrose Road is examined below as a case study for what may be allowed in the greater downtown region (primarily the Howard Mixed Use (HMU) district).

CDD Gardiner mentioned that the Subcommittee had discussed allowing office uses in the back portion of retail spaces, with a retail tenant for the street frontage. Staff scheduled today's discussion to determine if health services would be allowed in back portions of a space or otherwise.

Matt Kircher (CBRE) discussed the space at 220 Primrose, noting that its large footprint has made it difficult to lease to a retail user given the impacts of the pandemic on the market. He noted that most of the interest for the property has come from health service users, which he argued could serve to activate the area.

Councilmember Brownrigg started with previous concerns with the DaVita proposal to have a dialysis center at 220 Primrose. He spoke about the City's work to make Downtown Burlingame a vibrant commercial and community destination, but he believed that a health service use is often not an

“exciting” use for people to pass on their walk downtown. He also noted concerns with the parking and traffic impacts from a dialysis center use, and the need for providing privacy for patients.

That being said, he asked what the asking lease rate was for 220 Primrose. Mr. Kircher responded that the square footage and format of the space were awkward, and tenant improvements to divide the space may be needed. He noted all interest was from medical users and several commercial recreation users.

John Kevranian (President of the Broadway BID) mentioned that allowing health services could lead to unforeseen consequences, such as higher rents that could impact smaller users in the surrounding area. He encouraged the City to streamline the permits for the property owner to demise the space. Mr. Perasso noted that the space was expensive to demise due to resecuring utilities, while Councilmember Brownrigg suggested that the space could be redeveloped into multiple stories or housing to activate the space.

Councilmember Brownrigg speculated that health services would be more appealing in the HMU district, but he favored waiting for Vice Mayor Ortiz to solicit additional opinions before making a recommendation to the full Council. He noted that the area was undergoing substantial improvements in future years (a new housing development, the post office redevelopment, the town square, etc.), and the market may bounce back for the space.

CDD Gardiner asked the property representatives if there had been interest in personal services (such as a day spa, etc.). Mr. Kircher noted that they had not received spa inquiries, but had received several from educational users.

Claude Perasso questioned if the Planning Commission’s previous interest in a layered approach for the space would be acceptable, in which a retail storefront would be in the front and another use in the back. CDD Gardiner confirmed they were still interested, notably in office uses in the back with a retail frontage. He noted that a valet service could be possible to alleviate or diminish parking concerns for health services.

Miscellaneous Discussion

Councilmember Brownrigg suggested that the additional items on the agenda be scheduled for a special meeting upon Vice Mayor Ortiz’s return, which CM Goldman supported.

Councilmember Brownrigg asked if there was a project going into 1755 Rollins Road, based on a Chamber of Commerce question. EDS Sanfilippo mentioned that an autonomous driving company’s R&D facility was interested in leasing the space beginning October 2022.

Mr. Kevranian suggested that the City look into prepaid cash cards for parking meters in the Downtown districts to incentivize shoppers during the holidays. He offered to contact the meter company to see if they could process prepaid cards.

Action Items

- CM Goldman and EDS Sanfilippo will schedule a Special Subcommittee meeting to continue the discussion of parklet rent

FUTURE AGENDA TOPICS

Due to a lack of quorum, the meeting was adjourned prior to the Future Agenda Topics item.

PUBLIC COMMENTS

There were no further public comments.

ADJOURNMENT

Meeting adjourned at 9:00 a.m.

Respectfully submitted,

Joseph Sanfilippo

Economic Development & Housing
Specialist