



City Council Economic Development Subcommittee

MINUTES (DRAFT)

Via Zoom

Wednesday, January 12, 2021 – 8:15 a.m.

ATTENDANCE

Members Present: Vice Mayor Michael Brownrigg

Members Absent: Councilmember Donna Colson

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: Riyad Salma (Triterra Properties), Georgette Naylor, Susan Baker (CEO of Burlingame/SFO Chamber of Commerce), Alisa Ferrari (Stella Alpina Osteria), Teresa Lindhartsen (Sixto's/Alana's Café), Geoff Swenson (Stacks), Dan, Jenny, Jenese Sieben (Pied Piper Players)

READ AND APPROVE MINUTES FROM NOVEMBER 10 MEETING

- Continued to next meeting due to lack of quorum.

DISCUSSION ITEMS

Preliminary Review of Development Impact Fees

CDD Gardiner introduced the topic, providing some background about the current fee schedule for Public Facilities Impact Fees. These fees were adopted approximately ten years ago, and are assessed on all new commercial, residential, and industrial developments. They are assessed on a net basis, with a credit for any existing development on the land, to capture the impact to public services due to the increase in development.

Various Councilmembers have requested an examination of the Public Facilities Impact fees as they currently do not have an escalator. There is particular interest with the various larger developments being planned. CDD Gardiner mentioned that the Mitigation Fee Act (SB-695) may also require the current per-unit assessment for residential developments be changed to a square footage basis.

CDD Gardiner continued with an overview of the commercial linkage fees, which are intended to mitigate the impacts of new commercial development on the current housing supply. The City undertook a feasibility study to examine commercial linkage fees, but it was completed in the summer of 2020 and based on pre-pandemic data. (This report is included in the meeting's packet as background information.)

CDD Gardiner noted that some commercial sectors have recovered from pandemic-induced impacts, and it may be worthwhile to reevaluate updating the report based on current data. In the summer of 2020, data showed that commercial linkage fees could be increased for office developments without significant impacts on the feasibility of development, but an increase would not be viable for hotels.

Vice Mayor Brownrigg reiterated that continued intense development on the Bayfront would warrant examining updated fees, particularly as previous developments in the area yielded few funds for impact mitigation. He also requested clarification on the affordable housing fee.

CDD Gardiner explained that affordable housing funds are collected through the commercial linkage fees. Vice Mayor Brownrigg supported a new study but suggested it examine all fees in the City, including school impact fees, and verify whether the City should increase affordable housing fees to allow greater City involvement in increasing affordability.

He also requested to determine if a Public Arts Fee or a parcel tax similar to East Palo Alto's Measure HH on office developments would be supported by the market. He clarified that the Subcommittee could likely work on determining appropriate fees and how to utilize them throughout the year.

Riyad Salma inquired about the logic of commercial impact fees. Vice Mayor Brownrigg noted that fees are collected to allow the City to provide continued service in areas with intensified use after development. CM Goldman expanded that the fees can also be used in negotiations for community benefits (transportation improvements, parks, etc.) if a developer would like additional concessions.

Mr. Salma further inquired if impact fees could be lowered based on a development. CDD Gardiner noted that there is a process to waive or reduce fees based on the particulars of a project and the community impact (e.g. if a project contains a park, the Parks fee could likely be waived).

Discussion of Subcommittee Work Plan for the Year

This item was continued to the next meeting due to a lack of quorum.

Action Items

- CDD Gardiner and EDS Sanfilippo will work with the previous linkage fee consultant (Century Urban) to receive a proposal for evaluating increasing commercial linkage fees.

FUTURE AGENDA TOPICS

The February meeting will continue both items agendized for this January 12 meeting.

PUBLIC COMMENTS

Alisa Ferrari noted her support for the parklet and sidewalk dining fee structure. However, she raised concern with the Omicron variant impacts on staffing and consumer confidence and hoped that

restaurants could expediently modify tables and chairs layouts during the Public Works audit for compliant floor plans and insurance. CM Goldman clarified that the audit was being done, in part, to ensure Americans with Disabilities Act (ADA) compliance, particularly as complainants file ADA violation lawsuits throughout the city.

Teresa Lindhartsen and Geoff Swenson reiterated decreased consumer confidence and a desire to expediently review compliant sidewalk dining plans.

CM Goldman requested that all speakers email her, particularly as all businesses are compliant with insurance requirements. Vice Mayor Brownrigg encouraged the speakers to attend future Subcommittee meetings to offer updates on the restaurant industry.

ADJOURNMENT

Meeting adjourned at 9:00 a.m.

Respectfully submitted,

Joseph Sanfilippo

Economic Development & Housing
Specialist