

CITY OF BURLINGAME

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Burlingame, California 94010-3997



COMMUNITY DEVELOPMENT DEPARTMENT

Economic Development Division

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Economic Development Subcommittee Special Meeting

Wednesday, March 9, 2022, 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 February 22 2022, the City Council adopted Resolution Number 12-2022 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 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 12-2022, **Conference Room A will not be open to the public for the March 9, 2022 Economic Development Subcommittee Meeting.**

Topic: Economic Development Subcommittee Meeting
Time: March 9, 2022 08:15 AM Pacific Time (US and Canada)

Join Zoom Meeting

<https://us02web.zoom.us/j/81911671492?pwd=T0VXc1R1bFVYIM5b25EbkZacm90QT09>

Meeting ID: 819 1167 1492

Passcode: 233482

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Agenda

CALL TO ORDER – 8:15 a.m.

**READ AND APPROVE MINUTES FROM NOVEMBER 10, 2021, JANUARY 12, 2022,
SPECIAL JANUARY 12, 2022 AND FEBRUARY 9, 2022 MEETINGS**

DISCUSSION ITEMS

1. Annual Meeting with the Broadway BID
2. Discussion of Subcommittee Work Plan for the Year

Public Comments

**The next regular meeting of the City Council's Economic Development
Subcommittee will be held on April 9, 2022, via Zoom**



City Council Economic Development Subcommittee

MINUTES (DRAFT)

Via Zoom

Wednesday, November 10, 2021 – 8:15 a.m.

ATTENDANCE

Members Present: Councilmember Michael Brownrigg, Vice Mayor Ricardo Ortiz

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, Economic Development & Housing Specialist (EDS) Joseph Sanfilippo

Members of the Public Present: John Kevranian (President of the Broadway Business Improvement District (BID)), Riyad Salma (Triterra Properties)

READ AND APPROVE MINUTES FROM SEPTEMBER 8 and OCTOBER 13, 2021 MEETINGS

- Approved.

DISCUSSION ITEMS

Continued Discussion of Parklet Rent and Fees

EDS Sanfilippo introduced the topic, followed by CDD Gardiner continuing the presentation started at the September 8 meeting.

At the August 16, 2021 City Council meeting, the City Council approved the continuation of the parklets program through Labor Day (September 5) 2022. There was interest in indemnification language, fees to cover cleaning costs, and a consensus to increase the number of days a parklet must be utilized to four days per week.

CDD Gardiner offered an overview of the Mountain View Sidewalk Café program, which served as the basis for Burlingame's proposed fee and rate framework. Mountain View's program was chosen as it is one of the only long-term pre-pandemic parklet programs from nearby jurisdictions.

Mountain View's program includes the following fee framework:

- New application: \$769
- Annual fee of \$6.00/sf of sidewalk space for cleaning costs, in addition to \$1200 per parking space utilized (as rent).
- Permit renewal is \$205.
- Minimum 5-year license term and indemnity agreement

In potentially adapting this framework for Burlingame, the value (or rent) applicable to the parking space being occupied by the parklet would need to be determined. Presumably this would be a proportion of the market rent for fully-improved retail space. The square footage of a typical parklet space in Mountain View is 300 square feet, so at \$1200 per parklet per year the rent would be $\$1200 / 300 \text{ square feet} = \4.00 per square foot. Research by staff has indicated that the average retail rent in Mountain View is \$42.71 per square foot per year. Therefore, the proportion of the parklet rent to the average retail rent would be $\$4.00 / \$42.71 = 9\%$. In other words, the rent for the parklet space is 9% of the rent of a fully-conditioned and enclosed retail space.

Research by staff has indicated that the average retail rent in Downtown Burlingame is slightly higher than Mountain View, at \$55.00 per square foot per year in Burlingame compared to \$42.71 in Mountain View. If one uses the same 9% ratio of parklet rent to retail rent as used in Mountain View, the annual parklet rent in Burlingame would be 9% of \$55.00, which equals \$4.95 per square foot per year. The parklets in Burlingame, like Mountain View, are 300 square feet typically, so this would suggest an annual parklet rent of $\$4.95 \text{ per square foot} \times 300 \text{ square feet} = \1485 per year.

Using this methodology, CDD Gardiner suggested a sample framework to initiate discussion could be:

- Application fees collected from Encroachment Permits and Building Review
- Cleaning fees: Estimated to be about \$200-300 per parklet per month.
- Annual Rent: 300 square feet multiplied by $\$4.95/\text{sf} = \$1,485$

Councilmember Brownrigg asked how much restaurants were charged for sidewalk encroachments prior to the pandemic. CDD Gardiner clarified that businesses weren't charged beyond the initial encroachment permit fees, as the sidewalks had been designed with the expectation that they would be used for sidewalk dining. CM Goldman emphasized that the permit was an annual renewal with a minimal fee based on staff processing time.

Councilmember Brownrigg supported rolling the fees per square foot to include sidewalk square footage. Vice Mayor Ortiz disagreed, saying that the sidewalk encroachment program was already established, and the new framework should only affect those businesses with parklets.

Mr. Salma questioned if design standards had been considered for the parklets. CM Goldman noted that the current program was only authorized through Labor Day 2022, and Council had only emphasized covering the orange barricades and ensuring life safety and ADA compliance.

Councilmember Brownrigg questioned whether the rent was too low to prevent a "sale" of public land, while Vice Mayor Ortiz stressed the importance of parklets being utilized at least four days per week. CM Goldman noted that both the fees and rent could be revisited. Councilmember Brownrigg advocated for the framework to be piloted as a one-year program throughout calendar year 2022

(extending beyond the previously approved deadline of Labor Day 2022). Given that the potential end of the program would occur during the holidays if the full Council agreed with this extension, Councilmember Brownrigg suggested that businesses be granted 45-60 days to dismantle their parklet after either the cessation of the program or the owner's decision to no longer have a parklet.

Mr. Salma questioned how parklets extending beyond their space would function during tenant turnover. CDD Gardiner mentioned that existing agreements often have a term with a sunset date, and cited one current example where a previous business owner had authorized an extension, but a new business wanted to take the parklet back for its own use. As such, the parklet must be removed (or shared) from the new business's frontage by the date specified in the original agreement between the two businesses. CM Goldman mentioned that there is no perfect solution, and many of the guidelines proposed may need to be revised at a later date.

Shifting the discussion to parklet design, Mr. Salma suggested that parklets maintain visibility of the sidewalk via openness or transparent materials, along with a prohibition against raw wood (must be either painted or stained). The Subcommittee supported this and agreed that parklet branding should not be permitted.

There were differing views on whether height limits should be imposed or if the orange barricades should be entirely covered. As such, Councilmember Brownrigg proposed that staff bring two options to the full City Council when the parklet program fees and/or rents are reviewed.

Mr. Salma noted that reflectors could be used if the orange barricades cannot be covered for liability concerns.

Mr. Kevranian questioned if a parklet user wanted to build a structure how essential access to stormwater or PG&E lines would be maintained. CM Goldman mentioned that PG&E provided language to allow them access, holding harmless both PG&E and the City, should they need to uproot a parklet to maintain access. While it has not happened yet, it is a concern that parklet users should be aware of when making investments. To avoid this issue, CDD Gardiner proposed that designs include removable panels to allow access.

Councilmember Brownrigg asked how long short-term pickup spaces would be supported, noting that the City could free up additional long-term parking spaces by disallowing pickup spaces. CM Goldman requested that EDS Sanfilippo forward the question to Senior Civil Engineer Andy Wong for consideration by the Traffic, Safety and Parking Commission (TSPC).

Mr. Kevranian suggested that parklet permits and permissions from adjacent businesses be non-transferrable, requiring a new application and written permissions from neighbors in the event of turnover.

He also inquired how a parklet user that no longer wants their parklet but cannot afford its removal should proceed. Councilmember Brownrigg suggested an escrow account to fund the removal and repayment. CDD Gardiner will check with the City Attorney's office for that process.

Action Items

- CM Goldman, CDD Gardiner, and EDS Sanfilippo will prepare a staff report to discuss the proposed fee and rate framework with the City Council at the December 6 or January 3 meeting
- CDD Gardiner will check with the City Attorney’s Office to determine if there are liability concerns with covering orange barricades; to discuss indemnification language for parklet permits; and to discuss the viability of an escrow program for parklet removal
- EDS Sanfilippo will forward the short-term parking spaces inquiry to the TSPC

FUTURE AGENDA TOPICS

The Subcommittee will deliberate on Future Agenda Topics via email.

PUBLIC COMMENTS

There were no further public comments.

ADJOURNMENT

Meeting adjourned at 9:15 a.m.

Respectfully submitted,

Joseph Sanfilippo

Economic Development & Housing
Specialist



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



City Council Special 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), Jenese Sieben (Pied Piper Players)

DISCUSSION ITEMS

Discussion of North Rollins Road Theater Uses

EDS Sanfilippo introduced the topic, explaining that this special meeting was called by Subcommittee request. While it will examine one company's proposal and operations (Pied Piper Players), the discussion is meant to serve as a case study to potentially be implemented on a broader scope throughout the North Rollins Road plan area.

CDD Gardiner emphasized that the North Rollins Road Specific Plan aims to include arts (including performing arts, fine arts, etc.) and wishes to incorporate them as a potential community benefit. The Subcommittee could examine if establishing an arts organization would be appropriate for the plan area to encourage arts uses.

Jenese Sieben introduced Pied Piper Players, a community theater company looking to relocate due to pandemic-induced impacts. Their services range from rehearsals, classes, set-building, and ideally a black box theater. The company currently has a Conditional Use Permit application for 1855 Rollins Road prior to that space's demolition. She mentioned that EDS Sanfilippo is helping them find a potential location, though the market rents are much higher than the company's current revenues.

Vice Mayor Brownrigg requested clarification if the company desired for the City to develop an arts building. Ms. Sieben responded that the company is looking at various funding sources to help subsidize the cost of the City running arts programming. Vice Mayor Brownrigg reiterated support for the arts but noted a lack of City resources (both staffing and funding).

CDD Gardiner noted that the company's space requirements sent by email would be useful when speaking with developers in the area, to potentially incorporate as a community benefit. Vice Mayor

Brownrigg mentioned that a more fleshed-out proposal would be easier to support, rather than the City creating its own program.

Riyad Salma encouraged artists to create an advocacy group and explain how to support arts as a whole, rather than per organization. Ms. Sieben noted that the San Mateo Arts Council is looking into bringing Peninsula artists together, and concluded by thanking the City for its support.

Action Items

- EDS Sanfilippo will continue to search for a space for Pied Piper Players
- Staff will advocate for arts uses to be incorporated into North Rollins Road developments

PUBLIC COMMENTS

There were no further public comments.

ADJOURNMENT

Meeting adjourned at 9:20 a.m.

Respectfully submitted,

Joseph Sanfilippo

Economic Development & Housing
Specialist



City Council Economic Development Subcommittee

MINUTES (DRAFT)

Via Zoom

Wednesday, February 9, 2021 – 8:15 a.m.

ATTENDANCE

Members Present: Councilmember Donna Colson

Members Absent: Vice Mayor Michael Brownrigg

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)

READ AND APPROVE MINUTES FROM NOVEMBER 10, JANUARY 12 AND JANUARY 12 SPECIAL MEETINGS

- Continued to next meeting due to lack of quorum.

DISCUSSION ITEMS

Continued Review of Development Impact Fees

CDD Gardiner introduced the topic again, 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. Based on 2019 pre-pandemic data, the findings were 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.

Updating the commercial linkage fee study and conducting a revenue analysis of three different prototypes (office and hotel of different sizes) would cost about \$33,000. Councilmember Colson reiterated that it would be important to have the study expedited to capture the impacts of future developments. She advocated for an annual escalator for the Public Facilities Fees tied to CPI.

PRD Glomstad discussed a Parks Master Plan fee study that was also completed shortly before the pandemic, and the fees probably need to be updated. CDD Gardiner suggested that the two studies be updated simultaneously.

Mr. Salma suggested that the City notify developers of when the fees will be updated, and inform them that the updated fees will be competitive with surrounding jurisdictions (so as not to discourage development).

Discussion of Subcommittee Work Plan for the Year

EDS Sanfilippo noted precedence for annual meetings with the hoteliers, the Downtown Business Improvement District (DBID), and the Broadway Business Improvement District (BID). Councilmember Colson agreed and requested that the Broadway BID be scheduled first (i.e. March 9) to help explain the rationale for the parklet cleaning fees.

She thought the hoteliers should be invited in April to check in, as well as to explain some of the City's work on mitigating sea level rise impacts. For the DBID, she suggested the May meeting, given the number of changes happening (Copenhagen Bakery change of ownership, Topper Jewelers moving, Stella Alpina restaurant moving into the Sixto's space, post office development, etc.) that may benefit from additional time acclimating to the new environment.

For other possible topics, Councilmember Colson noted a large number of inquiries about the weekend street closures that had been utilized early in the pandemic. This would be a talking point for the annual meetings and not a separate meeting.

There will be an annual meeting with the Chamber of Commerce (likely in June). Councilmember Colson mentioned an impactful weekend event with Burlingame High School in 2023 that will include a community block party on Lorton Avenue. The Chamber and the hoteliers may wish to get involved with the event, but this topic can wait until later in the year.

CDD Gardiner noted previous interest from the hoteliers for public art installations on the Bay Trail (mile markers, etc.) that could be mentioned at the hotelier meeting, or scheduled separately. Councilmember Colson noted interest in a community art walk that would lead visitors or community members throughout the city to various art installations in all areas. PRD Glomstad suggested that an intern might be able to tackle the project to create the booklet and find the installations.

Councilmember Colson also mentioned that there could be a possible opportunity to collaborate with the City of Millbrae, Topgolf, and the PGA to bring women’s collegiate golf to the area.

Miscellaneous Discussion

Councilmember Colson advocated for expeditious permit processing for tenant improvements. Mr. Salma expressed support for this, but also noted that supply chain issues have also been causing some tenants to be delayed even further beyond their permit approvals (e.g. a business cannot secure windows or lighting, etc.)

In regards to suggested street closures, Mr. Salma hoped that the City would pursue similarly inventive ideas before public sentiment turns. CM Goldman noted that several retailers were very much against the closures, thus any closures would require a balancing act between public safety and business sentiment.

Action Items

- EDS Sanfilippo will meet with Copenhagen Bakery and the DBID to publicize the change of ownership in the City eNews

FUTURE AGENDA TOPICS

The March meeting will include the annual meeting with the Broadway BID as well as a discussion of future agenda topics to gauge Vice Mayor Brownrigg’s thoughts.

PUBLIC COMMENTS

There were no public comments.

ADJOURNMENT

Meeting adjourned at 9:15 a.m.

Respectfully submitted,

Joseph Sanfilippo

Economic Development & Housing
Specialist