



CITY OF BURLINGAME
Community Development Department
MEMORANDUM

DATE: August 7, 2019 **Director's Report**

TO: Planning Commission **Meeting Date:** August 12, 2019

FROM: Ruben Hurin, Planning Manager

SUBJECT: **FYI – UPDATE REGARDING THE PROGRESS OF THE DEVELOPMENT OF THE SITE AT 615 AIRPORT BOULEVARD (ANZA PARKING), ZONED AA.**

Summary: An application for renewal of a Conditional Use Permit for long term airport parking as an interim use for a five-year term at 615 Airport Boulevard (Anza Parking), was approved by the Planning Commission on May 14, 2018 (see attached May 14, 2018 Planning Commission Minutes).

In order to ensure that redevelopment of the site progresses in a timely manner, the Planning Commission voted to approve the renewal based upon the following condition of approval:

- that the applicant shall be required to meet the following reporting milestones to provide assurance that satisfactory progress is made towards development of the site:
 - a. On the first and third anniversaries of the renewal (July 2019 and July 2021), the applicant shall provide a written update regarding the progress of the development of the site; the written update will be presented as an FYI item to the Planning Commission.
 - b. On the second and fourth anniversaries of the renewal (July 2020 and July 2022), the applicant shall provide an in-person report at a Planning Commission meeting; the report on the second anniversary, July 2020, shall include written evidence (along with the oral report) that all owners consent to the future development of the site.

Please refer to the attached letter submitted by Robert C. Herr, Esq., representing Anza Parking, dated July 31, 2019, in response to the Commission's direction as it pertains to the condition of approval above.

In his letter, Mr. Herr notes that significant progress has been made towards developing the site, including "interviewing and engaging consultants to assist them in the effort to consolidate ownership of the parcels in a single entity and to evaluate and negotiate the development of the consolidated parcels, and conducting meetings with the various owners of the thirteen parcels in attendance to discuss the consolidation and restructuring of their ownership interests." Please refer to the attached letter for additional details of the meetings held and steps to be taken in the coming year.

Staff would note that this is the first anniversary of the renewal, requiring that the applicant provide a written update regarding the progress of the development of the site to be presented as an FYI to the Planning Commission. In July 2020, the applicant will be required to provide an in-person report, which will need to include written evidence that all owners consent to the future development of the site.

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Ruben Hurin
Planning Manager

Attachments:

Letter submitted by Robert C. Herr, Esq., dated July 31, 2019
May 14, 2018 Planning Commission Minutes



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July 31, 2019

Via Email and First Class Mail

Planning Commission of the City of Burlingame, California
501 Primrose Road - 2nd Floor
Burlingame, CA 94010
Attn: Ruben Hurin, Planning Manager
RHurin@burlingame.org
PlanningCommissioners@Burlingame.org

Re: **615 Airport Blvd – July 2019 Development Progress Report
Conditional Use Permit (the “CUP”)**

Ladies and Gentlemen:

We represent NZP Group LLC (“NZP Group”), which operates the airport parking lot located at 615 Airport Boulevard in Burlingame (the “Anza Site”) under the above referenced CUP. Upon approval of the CUP in 2018, the Planning Commission required the permittees to provide annual reports to the Planning Commission on the progress towards development of the Anza Site to a higher and better use than its current use. We are pleased to present this report on behalf of the NZP Group in satisfaction of that requirement.

During the past year, NZP Group has made significant progress towards the eventual development of the Anza Site for a higher and better use. That progress includes interviewing and engaging consultants to assist them in the effort to consolidate ownership of the parcels in a single entity and to evaluate and negotiate the development of the consolidated parcels, and conducting meetings with the various owners of the thirteen parcels in attendance to discuss the consolidation and restructuring of their ownership interests.

NZP Group’s Board of Directors met on numerous occasions in 2018-2019 to evaluate and select the following consultants:

- Financial Analysts. The Board interviewed land economists and financial analysts to assist the Board in the evaluation of the development opportunities

presented by the Anza Site. The Board has selected, and is in the process of engaging, their preferred financial analyst firm, Land Econ Group.

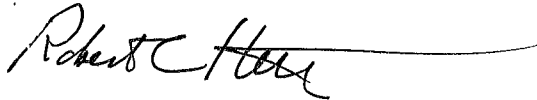
- Attorneys. The Board consulted and met with several major law firms specializing in land use, tax and development. We are fortunate and pleased that they decided to engage our services for the formation, planning, and entitlement processes, including negotiations with developers.
- Architects. The Board is currently in the process of interviewing architects to assist in discussion with developers by helping to evaluate massing and other architectural studies.

Given the numerous parcels and owners of the parcels, restructuring and reorganization has been and will be a challenging project for NZP Group. In coordination with their consultants and advisors, NZP Group is working hard to achieve the goal.

During the past year, in accordance with advice they received from consultants, the Board conducted meetings with the various lot owners to explore the need to consolidate ownership and restructure their respective interests in the Anza Site in order to make the Anza Site attractive to developers. Both meetings went well. The Board plans to continue its discussions with the lot owners and to expand those to discussions to include evaluation of development opportunities for the Anza Site with the objective of forming a single entity owned by the lot owners and consolidating ownership of the Anza Site in that single entity during the next twelve months.

In total, a significant number of hours of work and substantial financial investments have been made by NZP Group on behalf of the lot owners on legal, tax, financial analysis, and generally moving the project forward with a focus on single-entity ownership and development of the Anza Site to a higher and better use.

Sincerely,



Robert C. Herr, Esq.

cc: Anza Parking Corporation, 615 Airport Blvd., Burlingame, CA 94010
Nikki Szeto
Amy Chung



City of Burlingame

BURLINGAME CITY HALL
501 PRIMROSE ROAD
BURLINGAME, CA 94010

Meeting Minutes Planning Commission

Monday, May 14, 2018

7:00 PM

Council Chambers

- e. 615 Airport Boulevard, zoned AA - Application to renew a Conditional Use Permit for long term airport parking as an interim use. This project is categorically exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15301. (Airport Parking LLC, applicant and property owner) (60 noticed) Staff Contact: Ruben Hurin

All Commissioners had visited the property. Commissioner Sargent had a brief email exchange with the applicant.

Community Development Director Meeker provided an overview of the staff report.

Questions of Staff:

There were no questions of staff.

Chair Gaul opened the public hearing.

Mark Hudak represented the applicant.

Commission Questions/Comments:

> Where does the State Lands Commission appear on the roster of owners? (Hudak: believes the roster only includes the individual property owners of the parcels, and does not include State Lands. The roster is a comprehensive list. Some owners don't live in the area, or even in the country, hence the challenge in getting all owners on-board.)

> What is the potential of having the one remaining individual sign-off on development of the property? (Hudak: is primarily a matter of logistics.)

> Had a conversation with the State Lands Commission; when does the lease expire? (Hudak: expires in 2038. It is a delicate negotiation; need to figure out what State Lands wants, then provide it.)

Public Comments:

There were no public comments.

Chair Gaul closed the public hearing.

Commission Discussion:

> Would like to see the plan of action and have full details in two years. Ensure that all owners have signed-off on the agreement to develop. Would prefer a comprehensive list of milestones that can always be revised in the future if needed.

> Noted that condition 2a requires an update from the property owners on the second and fourth years. (Meeker: perhaps provide written evidence be submitted that the final owner provides consent to development with the oral report to the Commission at year two as part of condition 2b.)

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- > *Understands the need to have the long-term agreements to allow the operations to function. Would prefer to have the matter come back for reconsideration of an extension at two years (i.e. have the conditional use permit expire in two years).*
 - > *Could the term of the conditional use permit be modified? (Meeker: yes, it is the prerogative of the Commission.)*
 - > *Developers need a longer period of time to design the project, seek funding and entitlements.*
 - > *Is comfortable with the conditions of approval as proposed.*
 - > *If the Commission sees no progress in the future, the Commission will be unlikely to consider future extensions.*
 - > *Is comfortable with the proposal. The applicant's discussion of the market conditions is compelling. Five years doesn't seem unreasonably long.*
 - > *Could the Commission ask for proof of the additional owner's consent in six-months? (Meeker: since the City doesn't have control over the timing, two-years is not unreasonable. Noted that the State Lands Commission and Bay Conservation and Development Commission are both involved in entitling development on the property; a five-year time for this process is certainly not unreasonable.)*
 - > *Would be helpful to see a graphic showing the individual owners of each parcel. The five-year timeframe provides a reasonable certainty with potential developer partners.*
 - > *Could the City help coordinate with the State Lands Commission? (Meeker: the City has no influence over the agency's process. Kane: the City is in discussions with the agency on other issues, so could perhaps communicate the City's interests.)*

Commissioner Sargent made a motion, seconded by Chair Gaul, to approve the application with an amendment to condition 2b requiring evidence of the remaining owner's consent to developing the property by the end of year two.

Discussion of Motion:

- > **Feels that five-years is too long.**
- > **Some concerns expressed at the study discussion regarding this item, were misplaced as they were more related to another proposal.**

Chair Gaul asked for a voice vote, and the motion carried by the following vote:

Aye: 5 - Sargent, Loftis, Comaroto, Gaul, and Terrones

Nay: 1 - Kelly